Returning to Normal:
Transit's Critical Role in Recovery



President's 2022 Budget Recommendations

The governing arm of the CTA is the Chicago Transit Board. The Board consists of seven members, with four appointed by the Mayor of Chicago and three appointed by the Governor of Illinois. The mayor's appointees are subject to the approval of the Governor and the Chicago City Council; the Governor's appointees are subject to the approval of the Mayor and the Illinois State Senate. CTA's day-to-day operations are directed by Dorval R. Carter, Jr., President.

The current Mayoral appointees are Lester L. Barclay, Alejandro Silva, Kevin Irvine, and Rev. Johnny L. Miller. The current gubernatorial appointees are Arabel Alva Rosales and Rev. Dr. L. Bernard Jakes. There is one gubernatorial vacancy.

Lester L. Barclay serves as Chairman of the Chicago Transit Board. Arabel Alva Rosales serves as Vice-Chair.



Lester L. Barclay
Chairman
Appointed by: Mayor, City of Chicago



Arabel Alva Rosales
Vice Chair
Appointed by: Governor, State of Illinois



Kevin Irvine
Board Member
Appointed by: Mayor, City of Chicago



Rev. Dr. L. Bernard Jakes
Board Member
Appointed by: Governor, State of Illinois



Rev. Johnny L. Miller
Board Member
Appointed by: Mayor, City of Chicago



Alejandro Silva
Board Member
Appointed by: Mayor, City of Chicago



Dorval R. Carter Jr.
President

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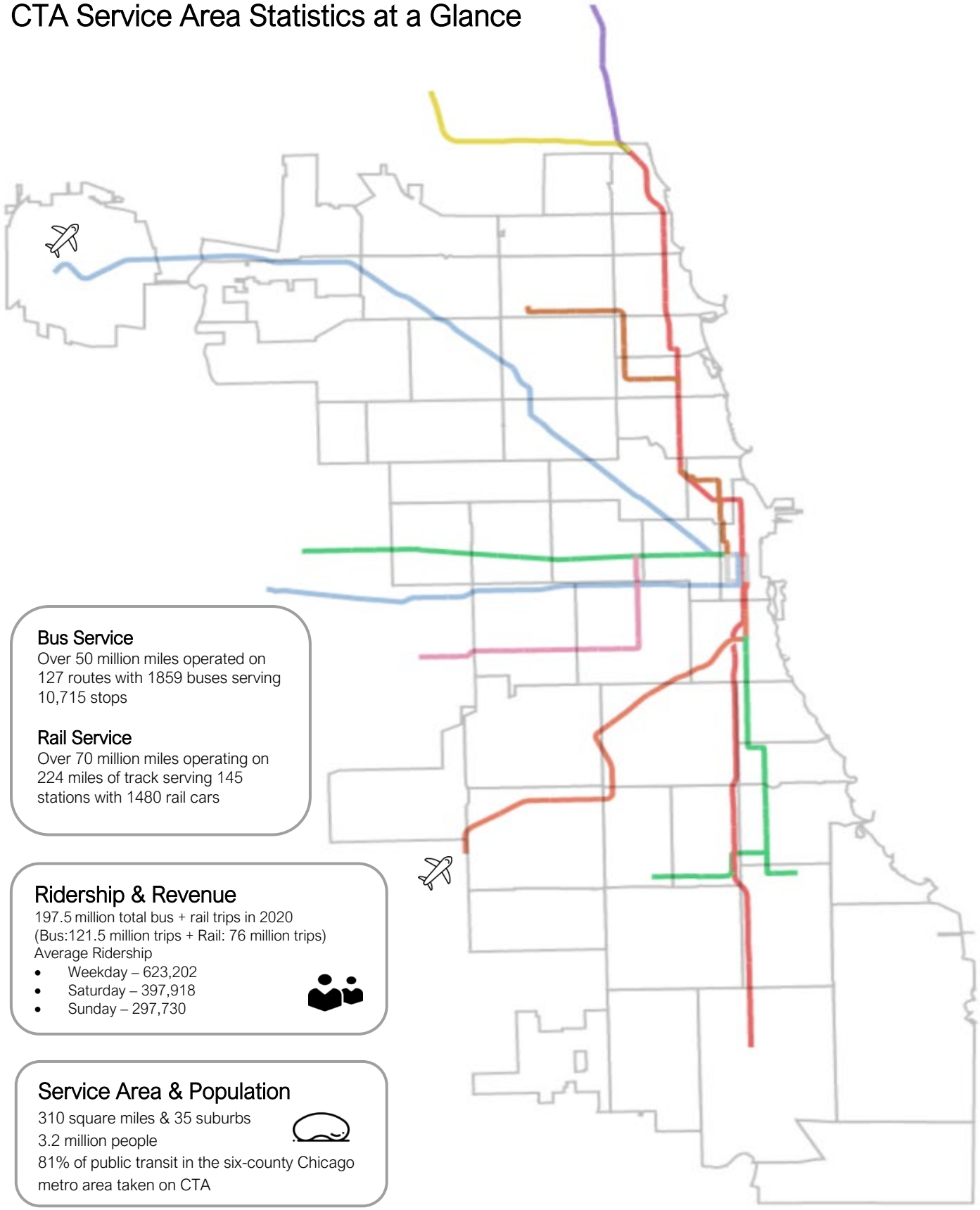
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CTA Service Area Statistics at a Glance



Bus Service
Over 50 million miles operated on 127 routes with 1859 buses serving 10,715 stops

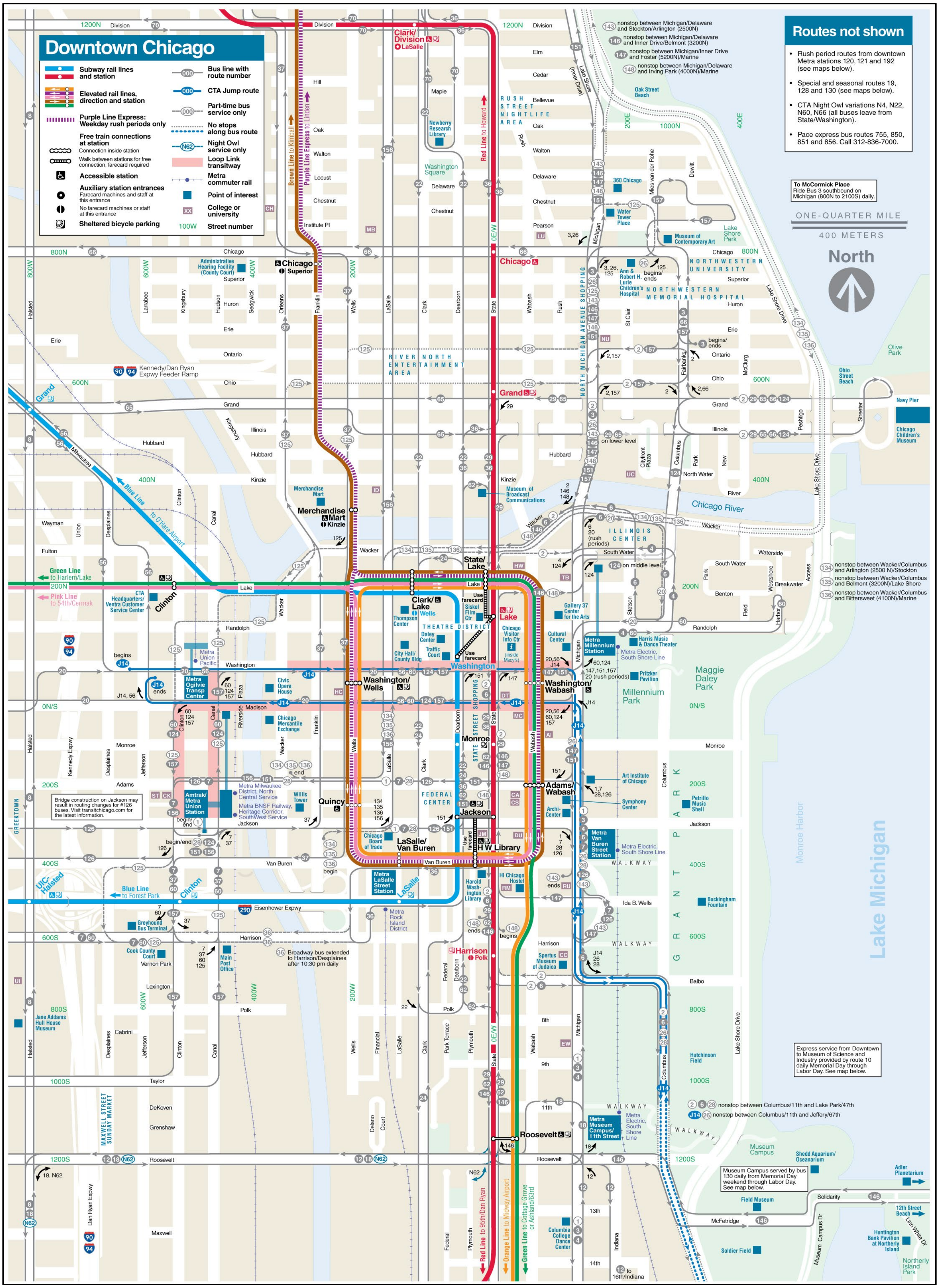
Rail Service
Over 70 million miles operating on 224 miles of track serving 145 stations with 1480 rail cars

Ridership & Revenue
197.5 million total bus + rail trips in 2020
(Bus:121.5 million trips + Rail: 76 million trips)
Average Ridership

- Weekday – 623,202
- Saturday – 397,918
- Sunday – 297,730

Service Area & Population
310 square miles & 35 suburbs
3.2 million people
81% of public transit in the six-county Chicago metro area taken on CTA


Downtown Evanston
June 2020
CTA and Pace Bus Routes
CTA bus routes (1-206)
CTA Jump route
CTA Hyde Park bus routes (171, 172 and 192)
Pace bus routes (208 and up)
Part-time service only
Night Owl service only
No stops along bus route
Limited stops along bus route
Bus route terminal
All CTA and Pace bus routes are accessible
CTA Trains and Stations
Trains operate daily unless noted.
Blue Line
Between O'Hare, Downtown, and Forest Park
Brown Line
Between Kimball and Downtown
Green Line
Between Harlem/Lake, Downtown, and 63rd Street terminals
Orange Line
Between Midway Airport and Downtown
Pink Line
Between 54th/Cermak and Downtown
Purple Line
Between Linden and Howard
Purple Line Express
Between Linden and Downtown, weekday rush periods only
Red Line
Between Howard, Downtown, and 95th/Dan Ryan
Yellow Line
Between Dempster-Skokie and Howard
Free train connections at station
Accessible station
Sheltered bicycle parking
Auxiliary station entrances
Farecard machines and staff at this entrance
No farecard machines or staff at this entrance
Boarding in direction shown only
Metra Commuter Rail
Station served daily
Station served weekdays only
Station served weekday rush periods only
Other Symbols
Point of interest
Park & Ride lot
Expressway or tollway
3600N Chicago street numbers
Chicago street numbers start at State and Madison downtown. State Street divides east and west addresses, and Madison Street divides north and south addresses. Suburban street numbers vary; not all use Chicago's system. One mile is equal to 800 street numbers. Example: Montrose (4400 N) is one mile north of Addison (3600 N).
SEE DOWNTOWN MAP
North
1 MILE
1 KM
Hyde Park
Lake Michigan
169 69th-UPS Express
Special UPS limited-stop service
Schedule coincides with shift changes.
Call 312-836-7000 for details.
169 to/from 69th station (CTA Red Line)
390 to/from Midway station (CTA Orange Line)
891 to/from Harvey, Homewood, Chicago Heights
390 to/from 95th station (CTA Red Line)
Express buses to CTA rail stations:
779 to Halsted Station (CTA Green Line)
770 to Forest Park Blue Line (Monroe)
772 to 95th Red Line (Summer weekends)
Niles Free Bus Routes 410, 411, 412 Call 847-588-7960
Express buses from Rosemont CTA Stations: 384, 600, 603, 605, 606, 610, 614, 880
Dempster-Skokie
Oakton-Skokie
Howard
Jarvis
Morse
Loyola
Granville
Thorndale
Bryn Mawr
Berwyn
Argyle
Lawrence
Wilson
Sunnyside
Sheridan
Addison
Belmont
Wellington
Diversey
Fullerton
Armitage
North/Clybourn
Clark/Division
Chicago
Grand
Clinton
Harlem/Lake
Oak Park
Ridgeland
Austin
Central
Laramie
Cicero
Kostner
Pulaski
Kedzie
Western
Damen
Ashland
Halsted
Racine
Morgan
Roosevelt
Cermak-Chinatown
Cermak-McCormick Place
23rd
Indiana
35th-Bronzeville-IIT
43rd
47th
51st
Garfield
Harlem
Forest Park
Oak Park
Austin
Central Park
Kedzie
Pulaski
Cicero
Kostner
Karlov
Kilpatrick
Keeler
Kedvale
Homan
Western
Rockwell
Francisco
Kedzie
California
Western
Damen
Ashland
Racine
Halsted
Morgan
Peoria
Jefferson Park
Montrose
Irving Park
Addison
Belmont
Logan Square
California
Western
Damen
Division
Chicago
Grand
Clinton
Harlem/Lake
Oak Park
Ridgeland
Austin
Central
Laramie
Cicero
Kostner
Pulaski
Kedzie
Western
Damen
Ashland
Halsted
Racine
Morgan
Roosevelt
Cermak-Chinatown
Cermak-McCormick Place
23rd
Indiana
35th-Bronzeville-IIT
43rd
47th
51st
Garfield
63rd
69th
Cottage Grove
79th
87th
95th/ Dan Ryan
Midway
Orange
Pink
Purple
Red
Yellow
Brown
Green
Blue
Howard
Jarvis
Morse
Loyola
Granville
Thorndale
Bryn Mawr
Berwyn
Argyle
Lawrence
Wilson
Sunnyside
Sheridan
Addison
Belmont
Wellington
Diversey
Fullerton
Armitage
North/Clybourn
Clark/Division
Chicago
Grand
Clinton
Harlem/Lake
Oak Park
Ridgeland
Austin
Central
Laramie
Cicero
Kostner
Pulaski
Kedzie
Western
Damen
Ashland
Halsted
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Roosevelt
Cermak-Chinatown
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23rd
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51st
Garfield
63rd
69th
Cottage Grove
79th
87th
95th/ Dan Ryan
Midway
Orange
Pink
Purple
Red
Yellow
Brown
Green
Blue


Downtown Chicago
Subway rail lines and station
Elevated rail lines, direction and station
Purple Line Express: Weekday rush periods only
Free train connections at station
Connection inside station
Walk between stations for free connection, farecard required
Accessible station
Auxiliary station entrances
Farecard machines and staff at this entrance
No farecard machines or staff at this entrance
Sheltered bicycle parking
Bus line with route number
CTA Jump route
Part-time bus service only
No stops along bus route
Night Owl service only
Loop Link transitway
Metra commuter rail
Point of interest
College or university
Street number
Routes not shown
Rush period routes from downtown Metra stations 120, 121 and 192 (see maps below).
Special and seasonal routes 19, 128 and 130 (see maps below).
CTA Night Owl variations N4, N22, N60, N66 (all buses leave from State/Washington).
Pace express bus routes 755, 850, 851 and 856. Call 312-836-7000.
To McCormick Place
Ride Bus 3 southbound on Michigan (800N to 2100S) daily.
ONE-QUARTER MILE
400 METERS
North
Bridge construction on Jackson may result in routing changes for #126 buses. Visit transitchicago.com for the latest information.
Broadway bus extended to Harrison/Desplaines after 10:30 pm daily
Express service from Downtown to Museum of Science and Industry provided by route 10 daily Memorial Day through Labor Day. See map below.
Museum Campus served by bus 130 daily from Memorial Day weekend through Labor Day. See map below.
Lake Michigan
Chicago River
Grant Park
Millennium Park
Maggie Daley Park
Navy Pier
Clark/Division
Chicago
Grand
Merchandise Mart
Clinton
State/Lake
Clark/Lake
Washington/Wells
Washington/Wabash
Washington
Monroe
Quincy
Adams/Wabash
Jackson
LaSalle/Van Buren
H W Library
LaSalle
UIC-Halsted
Harrison
Roosevelt
Red Line to Howard
Red Line to 95th/Dan Ryan
Brown Line to Kimball
Purple Line Express to Linden
Blue Line to O'Hare Airport
Blue Line to Forest Park
Green Line to Harlem/Lake
Pink Line to 54th/Cermak
Orange Line to Midway Airport
Green Line to Cottage Grove or Ashland/63rd

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Dear CTA Customers,

In 2021, as Chicago, the nation, and the world began taking the first steps to emerge from the COVID-19 pandemic, several opportunities—large and small—presented themselves. If 2020 was a year of unchartered waters, the Chicago Transit Authority began to steady the ship in 2021. Just as importantly, we are now charting a course for further recovery in 2022.

The extraordinary challenges the CTA—along with transit agencies nationwide—have faced over the last 18-plus months have required agility, patience, industriousness and resolve. But these challenges have only served to bring out the best in our agency. Earlier this year, CTA was honored to be recognized by the American Public Transportation Association as the "Outstanding Public Transportation System" of the year, and I was also humbled to be recognized in my role as the leader of the agency. These awards are a direct reflection of our employees: thousands of men and women who work each day – on the frontlines and behind the scenes -- to provide the service that allows people to live their lives.

Despite the many challenges of the recent past, we have not lost sight of the principles that guide us as an agency as well as me personally: equity, inclusion, and diversity. The pandemic strongly reaffirmed the importance of transit to many in our city, including some of our most vulnerable populations for who transit was, and is, a lifeline.

For this reason, CTA took historic steps to promote access to transit by becoming more affordable than ever. The CTA has always provided service at a low price—in fact, over the last 10- years, we've only increased our base fares just once. But in 2022, with equity in mind, we will make our already low fares even more affordable.

With this budget, we will make permanent the discounts to three most-popular unlimited-ride, CTA-only passes: $5 for a 1-day, $15 for a 3-day and $20 for a 7-day. Launched on Memorial Day weekend 2021, these pass discounts have proven hugely popular among customers, generating more than 10 million rides just during the summer months. We extended those discounts and will keep them in place going forward. Additionally, we are proposing to lower the CTA-Pace unlimited-ride 7-Day pass to $25 and the CTA-Pace unlimited-ride 30-Day pass to $75. Lastly, we are streamlining pay-per-use fares on bus and rail by removing the transfer fare, making it easier for riders who need to transfer between CTA services. On top of changing CTA fares and passes, throughout 2022, we will work with our partners at Pace and Metra to further streamline regional fares, including amending the Metra Link Up pass.

These changes are, in part, a recognition of how the pandemic has impacted ridership patterns, not only in Chicago but nationwide. For example, the typical consumer of the 30-day pass—the daily work commuter—may now be working a hybrid schedule. Others may need to travel outside of the traditional AM and PM peak hours. As the world changes, CTA will continue to look for new ways to best serve its customers with equity and access top of mind.

CTA's reimagining of its fare passes is just one example of how we have become more innovative than ever in the face of challenge. In fact, innovation has carried us through this period as we encountered situations our industry had never imagined. For 2022, I am proud to announce the creation of CTA's first ever Office of Innovation, which will drive departments across the agency to think boldly and strategically about mobility and the rider experience. In addition, my commitment to equity and inclusion will be borne out in a new department at CTA dedicated to ensuring we are always guided by these principles.

These dedicated efforts will be particularly needed as we face the challenges that still lay ahead.

Though ridership has continued to grow after experiencing unprecedented drops, it is still roughly half of pre-pandemic levels—representing a significant loss of farebox revenue. And though ridership is projected to increase in 2022, we still foresee levels well below normal.

As a result of that lost ridership, we are projecting a 2021 budget shortfall of approximately $386 million.

That projected shortfall is factored into my proposed 2022 operating budget of $1.75 billion.

Since the start of the pandemic 19 months ago, federal funding has been crucial to allow transit agencies across the United States to continue their operations. Like its transit peers, CTA used money from the Coronavirus Aid, Relief, and Economic Security (CARES) Act and Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) prudently and effectively to close the 2021 budget gap—enabling the CTA to continue to run our full scheduled service.

The necessity for federal funding will continue in 2022, when the CTA is in line to receive funding from the American Rescue Plan (ARP). This funding is absolutely necessary to close a projected $386M budget gap—and, again, allow CTA to continue its full service in 2022.

Despite these challenges on the operating side of our budget, we continue to place a high priority on investment in modernization and improvement of our existing infrastructure. This funding comes primarily from federal funding designated for transportation infrastructure.

The 2022-2026 Capital Improvement Program calls for $3.4B in investment over the next five years. Among many important investments in upgrades and modernization, the CIP devotes significant funding to the Red Line Extension, which will be the largest project in CTA history—providing transit access and connectivity for the city's Far South Side.

Though many aspects of our pre-pandemic daily lives have returned, there are still several uncertainties. That cloudy future makes planning difficult for many industries, public transit in particular.

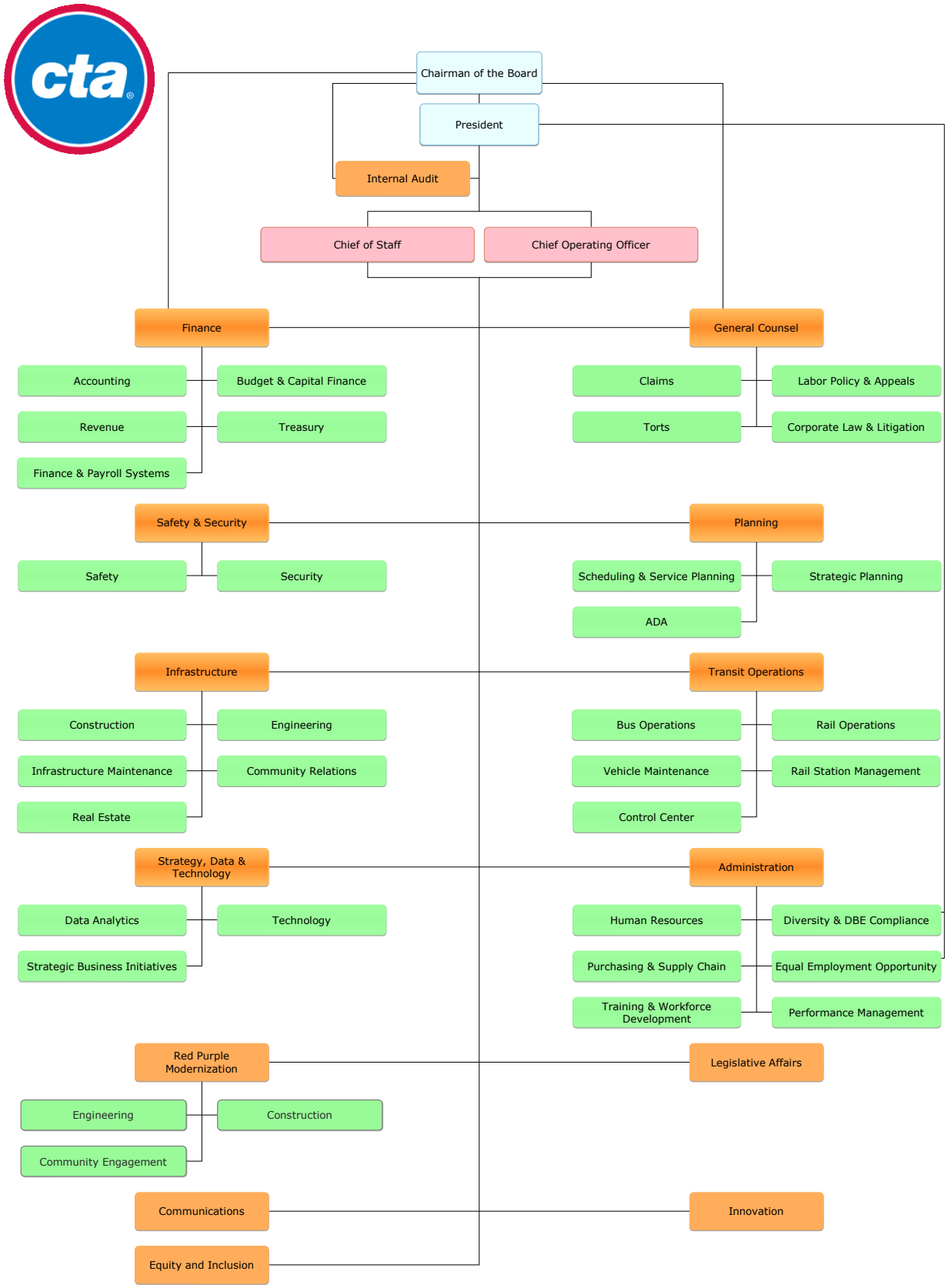
But even as we all work together to define the future, there is no question that transit must continue to serve as the backbone of our communities, and as a critical driver of our region's continuing stabilization from this period.

At CTA, just as we carried the region through its most challenging times, we are here to carry us all onto the road to recovery.

Sincerely,



Dorval R. Carter, Jr.
President


Chairman of the Board
President
Internal Audit
Chief of Staff
Chief Operating Officer
Finance
Accounting
Budget & Capital Finance
Revenue
Treasury
Finance & Payroll Systems
General Counsel
Claims
Labor Policy & Appeals
Torts
Corporate Law & Litigation
Safety & Security
Safety
Security
Planning
Scheduling & Service Planning
Strategic Planning
ADA
Infrastructure
Construction
Engineering
Infrastructure Maintenance
Community Relations
Real Estate
Transit Operations
Bus Operations
Rail Operations
Vehicle Maintenance
Rail Station Management
Control Center
Strategy, Data & Technology
Data Analytics
Technology
Strategic Business Initiatives
Administration
Human Resources
Diversity & DBE Compliance
Purchasing & Supply Chain
Equal Employment Opportunity
Training & Workforce Development
Performance Management
Red Purple Modernization
Engineering
Construction
Community Engagement
Legislative Affairs
Communications
Innovation
Equity and Inclusion

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OVERVIEW

2021 has proven to be a year of hope and a path to recovery, as medical professionals made great strides to manage the COVID-19 pandemic, cities and businesses reopened, and people started to resume some level of normalcy. While continuing to manage through the challenges brought on by the ongoing pandemic, CTA has also been working to help put Chicago back on track to recovery through its efforts to increase ridership and advance major capital investments that modernize and improve CTA's infrastructure, fleet, and service; and to ensure those investments are focused on improving the customer experience and access, as well as generating economic growth and opportunities for small businesses, communities, and their residents.

From the very first days of the global pandemic in 2020, the CTA understood the need to continue providing safe, clean, and full service to keep Chicago moving. CTA quickly put a variety of measures in place to provide the healthiest environment possible for customers and employees, and was the only major U.S. transit agency that did not reduce or cut back on service throughout the pandemic in order to provide an essential service to those who needed it the most: health care workers, emergency responders, grocery, manufacturing workers, and those needing to make everyday essential trips to the doctor, grocery store, and pharmacy.

It was an incredible honor that our response to the pandemic; the advancement of major projects and initiatives benefiting customers, businesses, and communities; and the leadership of President Dorval R. Carter, Jr. during these unprecedented circumstances, earned CTA the two highest honors in the North American public transportation industry -- the Outstanding Public Transportation System Award and the Outstanding Public Transportation Manager Award – awarded by the American Public Transportation Association (APTA).

Almost two years since the start of the pandemic, things are continuing to rapidly evolve – from the launch of the COVID-19 vaccines worldwide allowing cities to re-open and students to return to in-person classes, to brief setbacks caused by the introduction of new COVID-19 variants. Throughout it all, CTA has adapted and kept Chicago moving. And while the agency cannot predict when pre-pandemic ridership levels will return, CTA is anticipating and preparing for that moment as best it can. Since the City of Chicago entered its fifth and final phase of re-opening, CTA has seen steady increases in its ridership. At the height of the pandemic, system-wide ridership dropped to a low of approximately 250,000 average weekday rides. All throughout 2021, ridership has been steadily growing with more than 750,000 average weekday rides now being provided, which is roughly half of pre-pandemic levels.



A significant aspect of CTA's continued recovery of ridership will depend on the business community and its plans for returning to the office. Until then, the agency's recovery is centered on providing bus and rail service that will appeal to and incentivize people to return to public transit as they slowly resume their previous day-to-day activities, including their daily commutes to and from work. This need to appeal and incentivize was the inspiration behind ***When You're Ready, We're Ready,*** CTA's comprehensive, multi-faceted campaign to help foster ridership growth and tout the importance of public transit. Among its many elements, the campaign includes the first-ever promotional discount on CTA's most popular

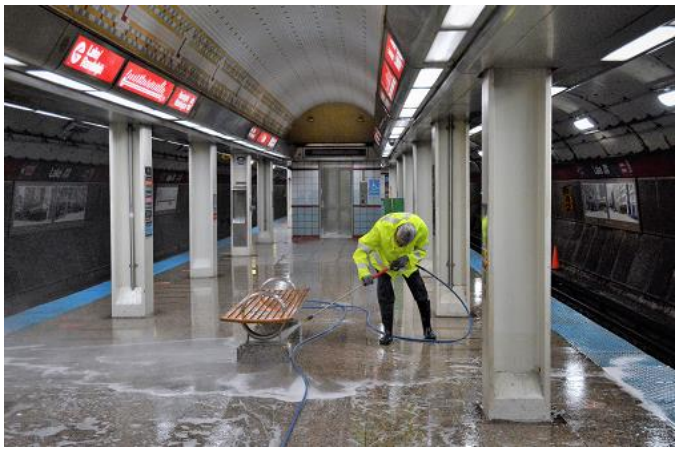
unlimited-ride passes, the launch of an expanded and accelerated program to improve more than 125 rail stations across the system by the end of the year, and more.

To attract new riders and retain current ones, the CTA will remain focused on providing a healthy, clean and comfortable riding environment, and continue to make investments to modernize the system and improve the overall experience of our customers.

COVID-19 RESPONSE

The CTA remains steadfast in its efforts to provide the cleanest and healthiest travel environment possible for customers and employees. Continuing the same measures implemented since the onset of the pandemic is a vital component of CTA's efforts towards welcoming back returning riders and encouraging new ones to use CTA for daily and occasional travel:

- **Enhanced Cleaning Tools and Measures:** Before the pandemic, CTA boasted one of the most rigorous cleaning regimens of any U.S. transit agency. These efforts have only been further enhanced with the adoption of industry best practices and use of new tools, such as electrostatic sprayers that apply cleaning solution as a mist, providing for more thorough coverage and allowing crews to clean vehicles more efficiently and thoroughly. CTA continues to seek out methods and technologies to further enhance its current cleaning efforts:
  - **Daily:** All buses, trains and stations are cleaned multiple times each day – before, during and after going into service.



  - **Routine Deep Cleans:** Each night of the week, approx. 300 vehicles -- 150 railcars and 150 buses -- are deep cleaned. As part of this process, crews use a 3-in-1 product that cleans, disinfects, and deodorizes all surfaces of the vehicles from the tops of windows to the floor.
  - **Mobile Cleaning SWAT Teams:** Ten teams of 4-5 employees are deployed across the rail system overnight to scrub, sanitize and power wash the high-touch surfaces and common areas of rail stations. Each week, beginning in early spring through late fall, approximately 50-75 rail stations receive this deep cleaning, weather permitting.
  - **Efficient Air Circulation:** Air on buses and trains is filtered and exchanged about every minute, and doors frequently open to bring in fresh air.
- **Education and Awareness**
  - **System Signage:** Throughout the pandemic, the CTA has worked diligently to keep customers and employees informed of the latest health guidance issued by local, state and federal health officials, through ongoing and extensive communications outreach.
  - **Travel Healthy Kits:** CTA continued distributing its popular "Travel Healthy Kits," which contain a 2 oz. bottle of hand sanitizer, a reusable cloth mask and a healthy riding tips guide. So far, more than 35,000 of these free kits have been distributed to CTA customers at various locations throughout the city, including key stations along all eight rail lines.
- **Customer Amenities**
  - **Free Masks:** Free masks are available aboard all CTA buses and at all rail stations in order to make it easier for customers to follow the federal masking mandate on public transportation.
  - **Ridership Information Dashboard:** Launched in June with only bus data, the Ridership Information Dashboard was created to help customers better plan their trips and avoid traveling during heavy ridership periods, whenever possible. In September, the Dashboard was expanded to include dynamic rail crowding data and upgraded to feature new drop-down menus that make it easier for passengers to customize data to reflect their travel preferences. Updated weekly, the rail and bus dashboards provide the average ridership trends from the prior two weeks to show days and times when specific bus routes or rail lines may be more crowded.
  - **Hand Sanitizer Dispenser Pilot:** Recognizing that regular hand cleaning using hand sanitizer is one of the easiest practices customers can follow to stay healthy while traveling, CTA continues to offer hand sanitizer dispensers at eight heavily traveled rail stations as part of an ongoing pilot: 95th/Dan Ryan, Fullerton, and Howard on the Red Line; Harlem/Lake on the Green Line; Polk on the Pink Line; Midway on the Orange Line; O'Hare on the Blue Line; and Clark/Lake in the Loop. Each location features at least one large foot-activated dispenser, as well as one wall-mounted hand pump dispenser for customers using mobility devices.
- **Employee Protections**
  - **On-site Vaccine Program:** To ensure that CTA employees had convenient access to COVID-19 vaccines when they first became widely available, through a partnership with Capsule online pharmacy, CTA provided free, on-site COVID-19 vaccinations at multiple work locations, including bus garages and rail terminals. More than 3,000 CTA employees were vaccinated through this program.



- **PPE:** Since the beginning of the pandemic, all employees have been provided with proper PPE, in line with guidance provided by local and federal health officials. As a result, the CTA has issued hundreds of thousands of supplies to employees, including face masks, protective eyewear, gloves, and hand sanitizer. The CTA has also made cleaning products available for employees' personal use in their work areas, including vehicles, and has distributed and posted extensive information at all work locations about COVID-19 and best practices recommended by health experts to reduce spread of the virus.

- **Workplace Adjustments:** Guidance and measures recommended by public health authorities have been implemented across CTA's work facilities. While operating trains, rail operators are in entirely enclosed operating cabs at the front of the train. For bus operators, CTA has ensured that buses out in service are equipped with a protective shield that creates a physical barrier between the bus operators and their riders. Rail station attendants are conducting their work out of enclosed kiosks in rail stations. Additionally, the CTA reminds employees that masks continue to be required while on all CTA property and promotes social distancing at all work locations. As a result, the common areas of all work facilities were reconfigured to provide an environment where proper social distancing can occur, and posters have been added to remind everyone how important it is to wear their mask and stay separated. The CTA has also put in place a variety of measures and other workplace protocols including, but not limited to, temperature checks, room occupancy limits, sanitation stations for employees and more frequent cleaning of high- touch surfaces.

- **Healthcare Services:** Since the onset of the pandemic, CTA has offered expanded access to health care services to all employees, thus allowing employees without CTA healthcare coverage—including participants in the Second Chance program—to visit the agency's medical services provider for COVID-19-related illnesses. Additionally, access to telehealth services was expanded, and the comprehensive Employee Assistance Program, which offers a wide array of free, 24/7 professional support and assistance services, was promoted to all employees.

CUSTOMER EXPERIENCE

Rail Improvements

Refresh and Renew: In the spring of 2021, CTA rolled out Refresh & Renew, an expanded and accelerated station improvement program. The program was a component of CTA's multi-faceted "When You're Ready, We're Ready" marketing campaign to help welcome back and attract new riders.

CTA crews have been working to make improvements and/or repairs to nearly 90 percent of CTA's rail stations through the end of this year. At minimum, the 126 stations included as part of the Refresh and Renew program will receive a deep clean power wash and repainting of surfaces (e.g., columns, walls, railings, fencing/gates, platform fixtures). Nearly a third of the identified locations received more extensive work, including upgraded LED lighting throughout, improved platform amenities (e.g., benches, trash bins, windbreaks, etc.), concrete repairs, updated or replacement of old or damaged signage, permanent repairs, and more. Crews spend up to two weeks at each location performing the level of work that is needed.

The Refresh and Renew program builds on an existing station improvement program that's been in place since 2019 and is intended to keep all 145 rail stations in a state of good repair by performing moderate upgrades and improvements on a reoccurring schedule.



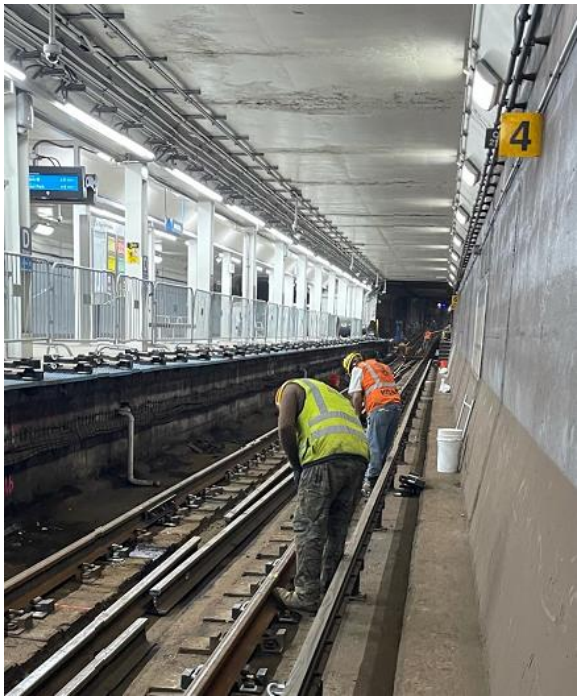
New 7000-Series Railcars: The 7000-Series is CTA's newest generation of railcars and the first purchased by the CTA in more than a decade. Following the successful out-of-service testing in April, the CTA announced the start of revenue service testing of ten prototype 7000-Series railcars along the Blue Line. As done previously with other railcar prototypes, CTA will continue testing the 7000s across all eight rail lines and through various types of weather and working conditions. This testing will continue into the first quarter of 2022 and possibly longer. Upon successful completion of this testing, CTA will provide approval for the manufacturer to begin delivery of production rail cars at the rate of 10 to 14 vehicles per month.

These new railcars will provide customers with a more comfortable and reliable commute, while also lowering the agency's maintenance and repair expenses. Among the new features for customers are multiple interior digital information displays that show upcoming stops and other information; a new seating configuration and a refreshed interior layout that features clear windscreen panels. CRRC Sifang America JV built the 7000-Series railcars, with final assembly taking place at their newly constructed 45-acre facility on the Far South Side of Chicago. This critical investment brings railcar manufacturing back to Chicago after a 50-year absence and continues to grow the far Southeast Side's booming manufacturing sector. CRRC is committed to creating 170 manufacturing, warehouse and professional jobs as part of this project.

Railcar Overhauls: The CTA's quarter-life overhaul of the 5000-Series railcars, its latest model in service, is well underway. Overhaul work is necessary and will improve the performance and reliability of the railcars, allowing them to reach their expected useful life of 34 years. This scheduled maintenance activity includes the rebuilding and completion of needed repairs to various subsystems on the car. The quarter-life overhaul work for each of the 714 railcars is overseen by CTA personnel at the rail heavy maintenance facility in Skokie, IL.



Phase 1 work, which included priority items, occurred in 2019 and 2020 on all railcars. In 2021, CTA began the main Phase 2 work on the fleet, which includes the rebuilding of the railcar trucks, which in turn, includes rebuilding of the various sub-components, such as the wheel assemblies (gear box, wheels, brake calipers, traction motors, and axles), leveling actuators, track brakes, suspension springs, primary suspension pads and more. Other subsystems also will have heavy maintenance or overhaul work performed, including: vehicle doors, seat inserts, propulsion, electrical, braking, hydraulics, communications, video, couplers and more. Phase 2 work will take up to five years to complete on all 714 cars.



***FastTracks* Program:** The goal of this targeted, multi-year program of track repairs and maintenance is to provide faster commutes and smoother rides for 'L' customers, improving the overall travel experience. The *FastTracks* program has already repaired and upgraded rails, rail ties, and electrical power in multiple locations throughout the system. In fact, more than 43,000 feet of slow zones have been removed from across the Red, Blue, Brown and Green lines since the program began in 2018. Track and power improvements on the South and Main branches of the Green Line, as well as track work along the Brown Line, were completed in 2020. Improvements to the northbound tracks of the Red Line's State Street Subway and the Blue Line's Dearborn Subway were completed at the end of 2021. Blue Line electrical power upgrades are expected to occur in 2022.

Bus Improvements

Bus Priority Zones: Working in coordination with the Chicago Department of Transportation (CDOT), the Bus Priority Zone program began in 2019 with the implementation of eight bus priority projects on major bus corridors such as Chicago Avenue and 79th Street. Bus Priority Zones target improvements at pinch points that cause delays on major bus routes. Such improvements may include short stretches of designated bus-only lanes with pavement markings and signage along certain portions of a corridor to improve bus service during weekday rush periods or all-day, depending on the specific location. Additional improvements include: queue jump signals to give buses a head start in front of regular traffic; optimizing the location of bus stops; and changes that support pedestrian safety and overall traffic flow.

In 2020 and 2021, the CTA continued to develop the program with expanded funding from competitive grant programs that will enable planning and construction for additional corridors. The CTA plans to award a task order for program management and conceptual planning in late 2021.

Better Streets for Buses: In 2020, the CTA began work with CDOT and awarded a contract to a consultant to help launch a public outreach effort to guide a comprehensive, citywide plan for bus priority streets in Chicago called *Better Streets for Buses*. The plan will identify targeted corridors where bus enhancements are most appropriate based on ridership, bus speeds, equitable geographic coverage, and other relevant factors. The *Better Streets for Buses* Plan will also include the development of a toolbox of bus-priority street treatments that would be considered for application in these corridors, ranging from small adjustments of pavement markings and curbside uses, to sophisticated signal changes and bus-only lanes.

The robust, citywide public outreach process will kick off in late 2021 or early 2022 to gather feedback on where communities most want to see bus improvements. The *Better Streets for Buses* Plan will complete the CDOT suite of *Complete Streets* guiding documents

Traffic Signal Priority (TSP): TSP is a multi-year project aimed at modernizing traffic signals to make it possible to give an early or extended green light to buses that are behind schedule. The goal is to help increase overall bus service reliability and enhance the customer experience for those traveling on Ashland and Western avenues, as well as Jeffery Boulevard, which are served by some of the most heavily traveled routes in the system: #9 Ashland, #X9 Ashland Express, #49 Western, #X49 Western Express, #49B North Western and #J14 Jeffery Jump, respectively. Work on this multi-phased project began in 2014 and will continue through 2024. So far, Jeffrey Boulevard between 73rd Street and Anthony Avenue; Ashland Avenue between Cermak Road and 95th Street; and Western Avenue between Howard Street and 79th Street, have been equipped with TSP technologies. CTA is currently in the process of expanding the TSP

network to the central and north portions of Ashland Avenue, from Cermak Road to Irving Park Road. Design work for this process will continue through 2022, with construction expected to start Spring 2023.

Bus Service Improvements: In 2021, CTA continued to focus efforts on ensuring its bus service is aligned with the shifting demand patterns that emerged during the pandemic. CTA kept bus service in line with pre-pandemic levels to provide frequent, reliable service for customers making essential trips, and made adjustments to route frequency levels and vehicle assignments throughout the year to provide sufficient capacity where it was needed to support load restrictions necessitated by the pandemic. As COVID-related restrictions were lifted and ridership began to return, CTA continued to adjust to the emerging ridership trends through additional changes to route frequency and vehicle assignments, as well as supplementing service for special events and the return to in-person learning at schools.

Beginning June 2021, the CTA Board voted to continue bus pilots that extend service on the #31 and #157 routes, and realign the #52 and #94 routes along Kedzie and California avenues. The one-year extension of these pilots allows the agency to continue studying ridership on the routes as the city begins to emerge from the pandemic and customers re-establish or develop new ridership habits. As these bus pilots continue, CTA staff will monitor and assess ridership and customer feedback before making recommendations to the Board on whether to conclude, modify or make these service changes permanent.

South Halsted Bus Corridor Enhancement Project: After completing the initial study for the South Halsted Bus Corridor Enhancement Project in 2019, which identified several potential strategies for improving bus speed and reliability on an 11-mile portion of South Halsted Street, the CTA has continued to partner with Pace on the next phase of the project, which includes the federal environmental review process known as NEPA (National Environmental Policy Act) and creating advanced conceptual designs for the proposed improvements.

A public meeting was held in January 2020 to solicit feedback on options for queue jumps and/or bus lanes for some sections of the corridor that would improve the customer experience and enhance mobility for customers traveling on the Far South Side and south suburbs. The project team, led by Pace, is using public input obtained during the public meeting as well as further study of the corridor to develop a recommended design. Additional public meetings are anticipated in early 2022.

Bus Vision Study: As part of the agency's continuing efforts to provide service to best meet customer demand and ridership patterns, the CTA has embarked on a long-term Bus Vision study. The study—the first holistic look at the entire bus network since the late 1990s—will assess each of current bus routes. The study will examine multiple aspects of each route: the start/endpoints as well as the specific street route; the frequency and span of service; the multiple stops along the route; and the connectivity to other transit and transportation services. A key component of this initiative will be determining the best ways to provide equitable, accessible service to all parts of the city. The study is expected to be complete by mid-2022.

Bus Investment and Conversion to an All-Electric Fleet: In 2019, the Chicago City Council passed a resolution that established a commitment to complete the electrification of the entire CTA bus fleet by the year 2040. CTA is fully committed to transitioning to an all-electric fleet and has already taken several steps towards meeting that goal.

Most recently, the CTA announced in April the start of in-service testing of six new, protype, all-electric buses, which are being monitored for performance on the road. Upon successful completion of in-service testing, the CTA is expected to authorize the production of the remaining order of 17 electric buses. The buses are part of a $33 million contract awarded to Proterra following a competitive procurement process. As part of this procurement, the CTA has also installed five electric quick-charging stations at the Navy Pier and Chicago/Austin bus turnarounds, as well as the Chicago Avenue garage. These overhead, cantilever-type chargers allow buses to "reload" while on their route, allowing the vehicles to return to service quickly. Electric buses can run between 75-120 miles on a single charge.



Importantly, conversion to an all-electric fleet is a process that takes years and occurs incrementally. More than just purchasing buses, this process requires a significant commitment of planning, engineering, designing and constructing of a whole new bus operations and maintenance system that includes a comprehensive system of charging infrastructure, both at garages and along routes. Further, electric bus technology is still in its infancy, and the industry currently cannot produce large quantities of buses.

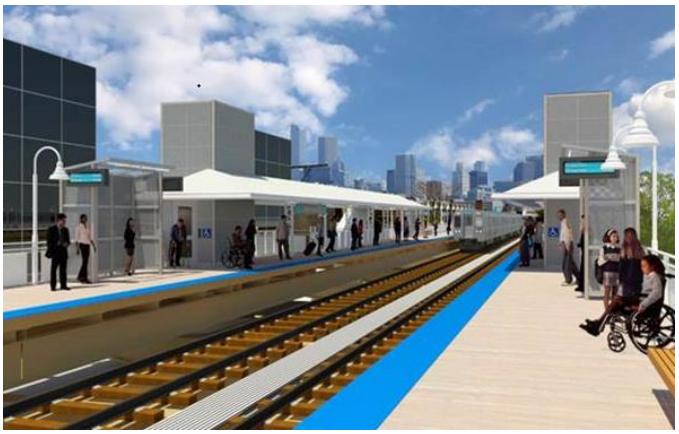
Today, the CTA has more than 1,000 buses purchased in 2006 that are at or near the end of their useful life, plus another 200 buses that will be at the end of their useful life in 2022. CTA must replace these buses immediately, but to replace these with all-electric buses could take as long as 10 to 15 years.

To help ensure the CTA can continue providing the highest levels of service, earlier this year a $334 million contract was awarded to Nova Bus for the purchase of up to 600 clean-diesel 40-foot buses, which will replace the aging 6400-Series Nova buses that are well over 20 years old. These new clean-diesel buses will meet 2021 EPA emissions requirements and are more fuel efficient than other models in our fleet. Delivery of these buses is expected in the first quarter of 2022.

This latest purchase of clean-diesel buses is part of CTA's long-term plan toward converting to an all-electric fleet. Guiding the CTA and its investments is the Bus Fleet Electrification Feasibility Study, which will be available before the end of 2021. This study will evaluate bus and charging technologies, and assess bus replacement, charging infrastructure installation, garage facility upgrades, and electric bus operations and maintenance over the next 20 years.

ACCESSIBILITY

All Stations Accessibility Program: The CTA has made significant progress since releasing its first-ever blueprint to make the rail system 100 percent vertically accessible to people with disabilities over the next 20 years. Unveiled in 2018, the All Stations Accessibility Program (ASAP) Strategic Plan lays out the agency's efforts to increase accessibility through the addition of elevators at 42 rail stations inaccessible by wheelchair. The ASAP plan also details future upgrades or replacements for 162 existing passenger elevators across the rail system. An ambitious plan that is dependent on federal, state and local funding, ASAP is also a tool that the CTA will use to build support for the resources needed to achieve its goals.



Phase One of the ASAP Strategic Plan calls for ADA accessible upgrades of eight rail stations and the replacement or rehabilitation of up to 40 existing station elevators. Four of the identified stations (Lawrence, Argyle, Berwyn and Bryn Mawr on the Red Line) are fully funded as part of the RPM Phase One project, which is now underway. Planning for the first of the other four stations, Austin on the Green Line, is underway, with construction anticipated for 2023. Funding for these stations come via Surface Transportation Program federal funds and Congestion Mitigation and Air Quality federal funds. Funding was also included as part of the *Rebuild Illinois* capital bill that was passed in 2019.

Efforts to secure funding for work outlined in Phase 2 of the ASAP Plan is already underway. CTA recently submitted a grant application for Surface Transportation Program (STP) funds to be used for the full-design of accessibility improvements for the Irving Park Blue Line station.

The CTA will continue to work towards obtaining the remaining funding from federal, state, or local sources for elevator rehabilitation and future phases of the ASAP Strategic Plan.

INNOVATION

Ventra App Updates: The CTA continues to work on innovations that improve customers' travel experience, especially as the agency seeks to regain the ridership lost during the pandemic. These advancements further expand convenience and flexibility for customers, encouraging them to use our system again or more frequently.



In 2020, CTA and Pace launched a virtual Ventra Card for the iPhone and Apple Watch. This innovative feature, developed with Apple, allows iPhone and Apple Watch users to easily add a Ventra Card to their devices as a fare payment option and ride CTA trains and buses and Pace buses by tapping their iPhone or Apple Watch at the Ventra reader.



The virtual Ventra Card for iPhone and Apple Watch is available through the Ventra app and functions the same way as a plastic Ventra card, allowing customers to add transit value or passes to their cards, set up auto load, utilize pre-tax transit benefits from their employer, manage their Ventra account and much more. The Ventra Card on iPhone and Apple Watch works with Express Transit allowing customers to tap their iPhone or Apple Watch at the Ventra reader without unlocking or 'waking up' the device.

In May 2021, the virtual Ventra Card on Google Pay was introduced to both CTA and Pace customers. Transit riders simply tap their NFC-enabled Android™ phone at CTA rail stations or aboard CTA or Pace buses to pay for rides when using their Ventra Card in Google Pay. Once the Ventra Card is added to Google Pay, riders simply 'wake up' their phone to *tap and go* with the Ventra Card in Google Pay.

Google Pay and the Ventra app work seamlessly together allowing customers to view their transit balance, check pass expiration date, and review their recent travel history. Customers can also add transit value and passes directly from the Ventra app.

These contactless fare payment options provide customers with a more convenient and stress-free commute, as they no longer have to worry about pulling out or misplacing their plastic Ventra Card.

New Office of Innovation: CTA is establishing its first ever office dedicated to innovation. The Office of Innovation will work directly with other departments to provide policy, research, and project management resources for innovative technology implementations, pilots or proof of concepts. It will then help departments scale successful pilots or proof of concepts to agency-wide solutions. The Office of Innovation will also engage in independent research on emerging policy and technology through engagement with third-party partners. At an agency-wide level, this group will provide innovation leadership by serving as a meeting place to ensure a coherent innovation strategy, think about data integration and management, and plan for potentially disruptive mobility technologies like vehicle automation, micro-mobility services, and multi-modal integration.



Real-Time and Projected Passenger Crowding Project: To ensure that the CTA continues to be competitive in the evolving mobility marketplace, the agency is continually researching new ideas and practices—all with the goal of providing the most efficient service and best customer experience possible. One example is the Real Time and Projected Passenger Crowding Project, where CTA partnered with industry leading technology companies – Genetec, Intel and Microsoft – to develop a real-time passenger occupancy dashboard across multiple buses operating on the 79th Street Route. The dashboard utilizes existing technology assets and advanced people counting technology to transmit real-time passenger utilization rates per bus. This data is then arranged in machine learning algorithm to create a predictive, proactive passenger capacity demand model. At scale, this real-time and projected passenger crowding dashboard can help CTA make service decisions quickly – such as adding or holding vehicles on a route, or only dropping off passengers once they have reached capacity. Additionally, if proved to be accurate, the real-time and expected transit capacities can be published to public apps and maps to help customers make better trip planning choices.

This proof of concept demonstrated how existing assets and advanced technologies can improve short-term operations while also building a foundation for continued innovation. In 2022, the Office of Innovation will continue to review results from the proof of concept and determine appropriate next steps to scale the solution.

Drone Technology Demonstration Project: The CTA partnered with private sector innovators -- Verizon, Skyward, and Ardenna – to explore innovative approaches to utilizing drone technologies, video and image analytics, and machine learning software to remotely inspect components of CTA's railway infrastructure. This mission served as a proof-of-concept to validate drone use cases on CTA service, review machine learning software, and determine scalability of a drone system for advance railway inspection and monitoring. Collectively, images and data captured by the drone can create digital records containing an inventory of rail assets associated with track geometry and track structure, as well as the exact location of the assets. Digital records can then be compared with manual inspections to improve historical and real-time understanding of track integrity.

This proof of concept combined two emerging innovations -- drone technology and machine learning – to a practical application on CTA service, and the Office of Innovation plans to identify other potential CTA use cases for these innovations in 2022.

PUBLIC ART & ARCHITECTURE

Over the last decade, the CTA's public art collection has nearly doubled to include more than 70 permanent works of art across all eight rail lines and multiple bus facilities. This massive collection of public art has not only been created by many talented local artists, but also includes nationally and internationally acclaimed artists as well. The public art represents a wide range of pieces encompassing sculptures, mosaics, art glass and more.

In May 2021, CTA's collection of public art further expanded with the addition of a new, vibrant piece of artwork by internationally recognized visual artist Shinique Smith. *Sunburst* is a painted aluminum sculpture created specifically for the recently refurbished CTA bus turnaround located at Chicago and Austin avenues. The artwork is reflective of the radiating, bright energy at this well-traveled corner in all seasons. Symbolically, the artwork also highlights recent upgrades to the bus turnaround, which now serves as a charging depot for the CTA's newest all-electric buses that were added as part of regular service in early April 2021.



A month later, in June, a new, temporary, interactive art installation debuted along the Green Line. *Ways and Means*, comprising eight fully wrapped CTA railcars, focused on "ways forward and the myriad means we use to get there," according to Chicago-based artist team Nick Cave and Bob Faust, who created and conceived the project. Each pair of railcars featured a colorful train wrap, imprinted with two different words on each side of the railcar that denote inclusion, acceptance and joy. The interior ceiling of each wrapped railcar had a kaleidoscopic pattern created by Faust from Cave's artwork, as well as the project statement. This artwork was done in partnership with the Department of Cultural Affairs and Special Events (DCASE) and was part of a series of cultural events and activities that were launched citywide as part of "Open Culture" which was a phase of Open Chicago, the Mayor's initiative to safely and fully re-open the city during the pandemic. This fall, CTA received the latest industry award for the transformative renovation of its historic Garfield Green Line station - the 2021 American Institute of Architects (AIA) Illinois' Greatest Impact Award. Considered the state's highest architectural honor, CTA was awarded this honor in celebration of how the rail station combines form and function with art and architecture, making it a welcoming gateway to the Washington Park community on Chicago's South Side. This distinction marks the third major architectural award won by CTA for its *Garfield Gateway* project. Last year, the station won the AIA Chicago Distinguished Building Award and the Interior Architecture Award. Interior Design Magazine, which runs the design industry's premiere awards program, also named the facility one of three finalists in its Best of the Year Awards, a worldwide competition.





Public art projects planned in the year ahead include the unveiling of a new commissioned installation at the Western Blue Line by the artist team of Edra Soto and Daniel Sullivan, as well as the start of work on a comprehensive, community-driven art project at the 18th Pink Line station. Work at the that station will include the careful restoration of the iconic mural originally created by maestro Francisco Mendoza, as well as the creation of new artwork by either one or two local artists. These local artists must include an art component developed in collaboration with local youths, which is in keeping with the vision and execution of Maestro Mendoza's original art project.

SAFETY AND SECURITY

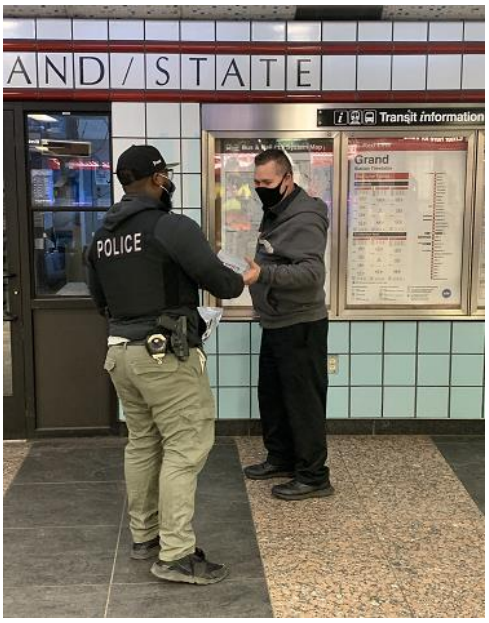
Safe and Secure: In 2018, CTA announced *Safe and Secure*, a multi-year, multi-faceted program to modernize and further expand its already extensive surveillance camera network. As part of this program, the CTA is upgrading more than 3,800 existing cameras to high-definition (HD) and installing an additional 1,000 new HD cameras to expand coverage, including up to 100 bus turnarounds. New video screens will also be added to all CTA rail stations to aid CTA personnel in monitoring their stations. New lighting, repairs, and other improvements are also being made at about 100 CTA rail stations as part of the *Safe and Secure* program.

To date, more than 2,000 new HD cameras have been installed at nearly 60 stations across the Red, Blue, Brown, Green, Orange and Pink lines. Starting in 2020 and throughout this year, crews worked to equip the identified bus turnarounds with new security cameras. Each location features an innovative camera POD enclosure that can accommodate up to six cameras based on the size and needs of various bus turnaround sites. The camera installation work being done at the bus turnaround locations is near completion.

Chicago Police Department: The safety and security of customers and employees is the top priority for the CTA. The Chicago Police Department (CPD) provides law enforcement for the CTA through a dedicated group of officers who are part of CPD's Public Transportation Section, as well as with the support of district police. CPD works in close coordination with CTA's Security Department each day using both historical and real-time information in directing patrols and resources to address the issue of crime on and near the system. Their efforts are supported by private security guards, as well as a network of more than 33,000 security cameras, the largest network of any US transit agency.

Overall, crime on CTA is low when compared to ridership. This year, crime on the system is down more than 25 percent so far compared to 2020. This builds on a 41 percent reduction in transit crime from 2019 to 2020, and follows the launch of the CPD's innovative Strategic Decision Support Center (SDSC) within the 1st District last year, which focuses on safety within the CTA system.

The SDSC room has access to the CTA's network of more than 33,000 cameras and can monitor and track active and ongoing incidents in real-time. This allows for quicker deployment to active incidents and gives officers the ability to capture and disseminate critical intelligence more efficiently. This also allows for CPD to pinpoint areas in the CTA system that require additional police presence and create deployment strategies based on that information.



CPD and CTA have a longstanding, strong partnership and are fully committed towards working together to prevent crime from happening and to identify and catch suspects when crime does occur.

Expanded Use of Contracted Security Guards: The CTA continues to use contracted security guards to supplement the law enforcement service provided by CPD. Contracted security personnel focus on customer and employee safety, as well as ensuring trains are cleared to allow for cleaning. CTA works closely with both the security-guard contractors and CPD to determine the most effective guard deployment strategies, including day and overnight coverage

In 2021, CTA expanded the use of contracted security services by adding more than 50 new security patrols at targeted locations throughout the system. CTA plans to continue to expand upon these efforts with additional guards added in 2022.

Department of Homeland Security/Transit Security Grant Program: The Transit Security Grant Program (TSGP) is one of the Department of Homeland Security's initiatives that directly supports transportation infrastructure security activities. The CTA is a direct recipient of TSGP awards and utilizes funding to protect the traveling public and

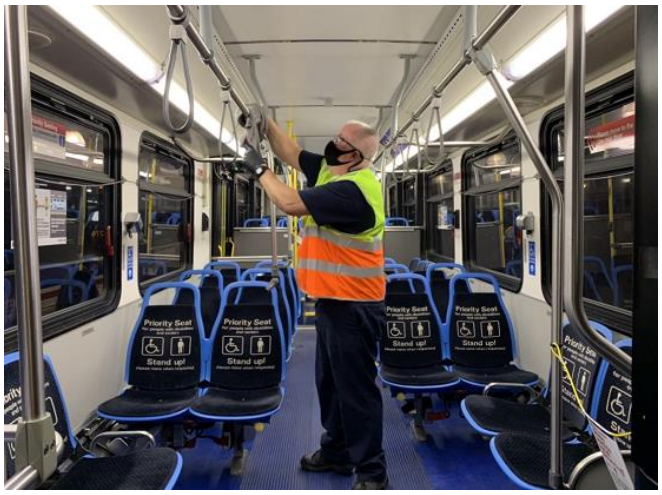
critical transit infrastructure from acts of terrorism. In 2020, the CTA was awarded $14.8 million to fund related security initiatives and activities in collaboration with CPD.

WORKFORCE DEVELOPMENT, COMMUNITY INVESTMENT, AND PROMOTING OPPORTUNITY

CTA's Workforce: The CTA is a significant local employer with nearly 11,000 employees from the Chicagoland area, with a large majority identifying as minority. The CTA is proud to have a dedicated diverse workforce that stepped up to meet the various pandemic-related challenges of 2021, including keeping the system running 24/7 for those who most depend on the essential service we provide. The CTA has taken multiple voluntary steps to support its employees during this unprecedented time, including providing on-site temperature screenings, on-site COVID-19 vaccination clinics, and extending benefits to ensure employees have access to healthcare for COVID-related illnesses. Additionally, CTA made certain that no employee went without pay because of time-off for illness, self-quarantine, or other COVID-related absence. Likewise, CTA has put in place a series of protective measures to ensure employees have the healthiest possible work environment, as well as providing employees live on-line employee assistance programs and answers to COVID-19 related questions through the "Ask the Doctor" seminar series and other frequent communications.

As a large organization responsible for providing essential transportation services, the CTA continues to have ongoing hiring needs. Despite the challenges of the pandemic, CTA has been able to continue hiring employees by moving to a virtual hiring process. Beginning in March 2020, recruitment efforts transitioned to an online format. The CTA also developed innovative ways to continue hosting virtual job fairs and information sessions throughout the year so that anyone interested in finding a job at CTA is able to do so safely and conveniently.

Second Chance Program: Second Chance is a nationally recognized CTA program – one of the largest of its kind in the country – and has become a model in the industry for preparing those re-entering the workforce, including returning citizens and others with barriers to employment. This life-changing, holistic program provides training, educational opportunities, and support that help participants gain valuable work experience and get back on their feet. The CTA partners with various social services agencies to recruit program participants and provide them with a wide array of in-class education, hands-on training, and networking opportunities to further develop their skill set and enhance their future job prospects.



To date, more than 1,500 people have participated in this invaluable program and more than 400 program participants have secured permanent employment with the CTA, with several later promoted to management-level positions. Many others have secured permanent jobs elsewhere because of their successful experience at the CTA.

Promoting Educational Opportunities: The CTA provides career development opportunities through its multiple internship programs. Among those is the CTA's year-round and highly competitive college internship program, which attracts hundreds of applicants from across the country seeking opportunities for career development in a variety of fields, including law, engineering, construction, communications/marketing, planning and more. Over the past year, the college internship program had 88 undergraduate- and graduate-level interns representing approximately three dozen colleges and universities. Of the 61 interns that participated in the 2021 Summer Term, 70.5 percent were minority, identifying as African American, Hispanic, Asian or with two or more ethnic backgrounds.

One Summer Chicago/Chicago Youth Service Corp: Since 2016, CTA has also partnered with the City of Chicago's One Summer Chicago (OSC) program to offer hundreds of high school students meaningful and paid part-time employment opportunities. As the largest corporate partner in the program, the CTA offered 207 local high school freshman, sophomore, junior and senior students a 7-week paid internship in 2021.

Students in the 2021 OSC cohort represented nearly all neighborhoods within Chicago, with many residing in the city's South and West side neighborhoods. Additionally, 98 percent of this year's OSC interns identified as minority, with 67 percent identifying as African American, 25 percent as Hispanic, 2 percent as Asian, 1 percent as Native American/Alaskan, and 4 percent identifying with two or more ethnic backgrounds.

Interns participated in a hybrid internship experience that included an innovative approach to the CTA's hallmark program model focusing on work experience, professional development, and mentorship from transportation industry leaders. Each week of the 2021 summer program, OSC interns took part in *On Track to Elevation,* a virtual eight course program – each course named after one of the CTA's iconic rail lines --Green Line: On Track to Workforce, Yellow Line: On Track to Career Pathways, Blue Line: On Track to Higher Education, Red Line: On Track to Physical Health and Wellness, Purple Line: On Track to Mental Health and Wellness, Brown Line: On Track to Financial Freedom, Orange Line: On Track to Financial Literacy, and Pink Line: On Track to Elevated Professional Development.

This year, the CTA also expanded its program to incorporate participation in the Chicago Youth Service Corps, a citywide initiative led by the Chicago Department of Family and Support Services, where Chicago youth earn money while supporting their neighborhoods and city. The OSC interns made a goal to promote safe and healthy travel habits as the city reopened and CTA ridership increased. Students came to the CTA headquarters office to assemble 5,000 "Travel Healthy Kits" that included masks, hand sanitizer, and an information card explaining the purpose of the *On Track to Elevation* program and its outreach project. The kits were distributed in 41 neighborhoods and at 14 heavily traveled CTA rail stations.

During Capstone Week, interns worked with their cohorts to develop and deliver a capstone presentation showcasing the research and knowledge gained from the program. Each cohort had the opportunity to share how the summer internship experience prepared them to be *On Track to Elevation* in their professional and personal lives.



The CTA is also committed to providing targeted programs that build internal talent and address future succession planning needs. In its annual learner engagement plan, CTA offers employees opportunities to participate in workshops, developmental programs, career coaching and more. CTA partners with local and nationwide organizations - inclusive of colleges and universities - to offer customized training opportunities for personnel. External learning opportunities are also offered to employees, including participation in the American Public Transportation Association (APTA) Emerging Leaders Program and the APTA Leadership Programs, local leadership development initiatives like the Civic Leadership Program, participation in industry conferences and individualized courses based on employees' professional development goals.

DBE and SBE Outreach and Inclusion: As part of its Disadvantaged Business Enterprise (DBE) program, the CTA evaluates all its contracts for DBE opportunities and establishes DBE goals for each project to ensure a minimum level of participation from DBE firms. The CTA also takes a proactive and innovative approach to maximize opportunities for disadvantaged and small businesses.

The CTA's small and disadvantaged business development efforts include programs to certify companies as DBEs and Small Business Enterprises (SBEs), and educational events and resources to increase their chances of participation in CTA contracts.

Although the COVID-19 pandemic has limited in-person events, the CTA continued to offer virtual outreach programming regarding contract opportunities and educational/technical assistance sessions. Among these are project-specific events to connect potential prime contractors and DBE firms to upcoming contract opportunities; the CTA's Building Small Businesses Program, which helps small businesses access capital to build capacity; and the CTA's Small Business Educational Series sessions, where industry leaders teach participants how to successfully secure contracts and how to prepare for, manage, and close out a project and/or contract.

Over the past several years, the CTA has taken additional steps to enhance its DBE program including establishing a DBE Advisory Committee, launching a mentor-protégé program, and breaking apart large contracts to create more opportunities for small businesses as prime contractors. As a result of the CTA's various efforts to increase opportunities for DBEs, more than $21.2 million was awarded to DBEs in 2020, all of them minority- or women-owned businesses.

This year, the CTA advertised the General Engineering Consultants (GEC) task order contract, and the Mid-Construction (Mid-Con) task order contract, using a two-tiered approach – one tier for smaller projects and the other tier for larger projects. This two-tiered method increases opportunities for more DBE and small firms to work as prime contractors. This is the second time that the GEC task order contract is being broken up into two tiers, and the first time the MidCon task order contract is being solicited using the two-tier approach.

To help small businesses grow even further, the CTA established a Small Business Enterprise (SBE) program in 2016. Since then, the agency has set aside numerous contracts that only SBE or DBE businesses can compete for to enhance their chances of working on these projects, The CTA awarded more than $125 million in prime contracts to SBE or DBE firms in 2020.



Building Small Businesses: In October 2019, the CTA, in partnership with the Red and Purple Modernization (RPM) Phase One design-build contractor, Walsh-Fluor, and LISC Chicago, launched the Building Small Businesses (BSB) Program. The BSB program was created as part of the $2.1 billion RPM Phase One project's commitment to engage new and more diverse participation on the CTA's largest capital project to date, and now the CTA is working to expand the program to other capital projects. BSB's primary objective is to assist firms in securing enough funding to build financial capacity, so they can successfully bid on and perform CTA contract opportunities. Through the Program, firms are connected with consultants who assess and present them with traditional and non-traditional options to gain access to capital, are invited to participate in technical and back office assistance, and are presented with contracting opportunities on the RPM Phase One project and other CTA projects.

In response to the COVID-19 pandemic, the BSB team also assisted participating firms with completing and submitting their applications for CARES Act funding, including the Payroll Payment Protection (PPP) and Emergency Injury Disaster Loan (EIDL) Programs. Combining the working capital and CARES Act funding, the Building Small Businesses program has assisted over 20 firms in securing over $5.56 million.

Small Business Educational Series: The CTA works diligently and makes every effort to ensure diversity in contracting and that its small business and DBE goals are met. To that end, the CTA offers various unique programs to prepare small businesses for opportunities. Among these is the CTA's Small Business Educational Series, which began as a program-specific curriculum that focuses on providing training and assistance to small businesses and DBEs so they may compete for large-scale CTA work related to upcoming construction projects. Program participants engage in an educational series hosted by the CTA and receive instruction from key CTA contractors who provide their insight on best practices, managing and understanding projects, project reporting and other subject areas. Due to the success of the program since 2017, the Small Business Educational Series has now been made a permanent part of CTA's programming and will be offered on an annual basis.

Workforce Initiatives: In 2019, the Chicago Transit Board approved the Contracting Careers Opportunity Policy, which amended the CTA's existing purchasing policies and procedures to cement the practice of creating workforce opportunities through CTA contracts. This practice began in 2013 with Red Line South Reconstruction project, and the CTA now regularly adds workforce participation goals to its major construction projects. The workforce participation goals set a minimum standard for the employment of disadvantaged/dislocated workers, union apprentices and - beginning with the RPM Phase One design-build contract - workers from economically disadvantaged communities.

In 2019, the CTA partnered with the Chicago Cook Workforce Partnership and HIRE360 to further strengthen the participation of underrepresented and disadvantaged populations in CTA's RPM Phase One workforce through outreach, training, and placement. These commitments ensure that CTA's investments create job opportunities and career paths in construction for all of the communities served by CTA.

EQUITY AND INCLUSION

In 2021, CTA continued to embrace its commitment to its core values of equity, diversity, inclusion, and racial justice. This year, CTA's Equal Employment Opportunity Division introduced "Common Grounds"—a very successful, educational series for staff that presents informative and interactive capsules on topics related to diversity, equity and inclusion in the workplace. The series has focused on issues like allyship, hidden biases and systems of inequity.

This year, Chicago Transit Authority also established a unique and cutting-edge partnership with the Center for Neighborhood Technology (CNT) and TransitCenter for the sole purpose of furthering CTA's equity work. Specifically, in 2022, this collaboration will produce a distillation of CTA's equity work into a set of guiding equity principles for the agency. It will also establish an internal equity working group—a permanent, ongoing committee that pursues equity outcomes, internally and externally, in line with the aforementioned principles.

In 2021, CTA's Diversity and Inclusion Task Force, in conjunction with the Human Resources Department provided both educational opportunities and resources in celebration and recognition of all CTA employees. Online recognitions have included including National Hispanic Heritage Month, Women's History Month, Black History Month, Pride Month and others.

CTA received additional recognition for diversity and inclusion as part of its employment efforts. In 2021, CTA was recognized by DiversityJobs as a Top Diversity Employer by showing "consistent outreach and dedication to recruiting and hiring from all diversity groups, so the most qualified candidates can truly rise to the top of their careers."

CTA also continues to work very closely with the City of Chicago's Office of Equity and Racial Justice (OERJ). CTA is in frequent communication with OERJ staff to ensure coordination between the City of Chicago and CTA on equity issues and has provided select CTA staff from across the agency to train as part of the City's Justice, Equity, Diversity and Inclusion 2021-2022 cohort.



Over the past year, President Carter has been established as one of the nation's foremost thought leaders and guest lecturers on the topic of equity and diversity in public transit. In January, he was recognized with the 2021 Thomas B. Deen Distinguished Lectureship Award from the National Academies of Science, Engineering, and Medicine's Transportation Research Board and delivered remarks entitled, "Our Work is Never Done: Examining Equity Impacts in Public Transportation." He has also spoken before Congress on this topic as well as to a diverse array of groups, including the University of California-Berkeley, University of Illinois at Chicago, and the American Public Transportation Association, among others.

To build upon these efforts, in 2022, CTA will establish a distinct unit dedicated to equity, outreach, and inclusion. This group will focus on outreach and inclusion efforts with relevant external communities. The unit will foster relationships with local communities and organizations while leading CTA's overall efforts regarding equity, diversity, and inclusion.

MODERNIZATION INVESTMENT

Major Modernization Programs

Red and Purple Modernization: Work continued in 2021 on the $2.1 billion Red and Purple Modernization (RPM) Phase One Project, which is the CTA's largest capital improvement project in the agency's history. The CTA's entire RPM program is an effort that will rebuild, over multiple phases, the century-old North Red Line from Belmont station to Howard station, and the Purple Line from Belmont station to Linden station. The project will increase much-needed capacity in this corridor to accommodate riders and will deliver faster and smoother rides with less crowding and more frequent service. Future phases of RPM are in the planning stage.

Phase One includes three major components. These include construction of a Red-Purple Bypass north of Belmont to modernize the 100-year-old Clark Junction where Red, Purple and Brown line trains currently intersect; reconstruction of the century-old Lawrence, Argyle, Berwyn and Bryn Mawr Red Line stations and adjacent track structures; and the installation of a new signal system between

Belmont station and Howard station. CTA expects to complete the Red-Purple Bypass in 2021 and begin demolition and reconstruction of adjacent Red and Purple Line track structures north of Belmont by early 2022. In the Lawrence to Bryn Mawr portion of the project, the CTA in 2021 began "Stage A" demolition of four stations and northbound Red and Purple Line track structures, to be followed by Stage B reconstruction of southbound tracks and stations from 2023 to 2024. The project is expected to be substantially completed in 2025.

Your New Blue: The CTA continued to move forward in 2021 with its ambitious *Your New Blue* modernization of the O'Hare branch of the Blue Line.

Customers have provided positive feedback on the renovation of the Grand, Chicago and Division Blue Line stations, which were completed in 2020. All three stations, which opened in 1951, received similar upgrades, including street-level improvements, new escalators, lighting, railings, tiling and other surface finishes, as well as additional security cameras. Customers have also expressed appreciation for the additional entrance opened at the Grand station, which allows them to access the station more safely from the southwest side of Halsted and Grand, without having to cross the street at a corner where three major streets intersect. These renovations – which cost $39 million for all three stations – provide each stop with a fresher, brighter look and ensure they are safer and more enjoyable for customers.

The CTA also continues to work on Blue Line signal improvements, as well as planning for electrical power upgrades – both required to enable more trains to run during AM and PM rush periods where demand has grown significantly.

Red Line Extension: The CTA continues to move forward with planning for the $2.3 billion Red Line Extension (RLE) project between 95th and 130th streets. The proposed 5.6-mile extension would include four new, fully accessible stations at 103rd Street, 111th Street, Michigan Avenue, and 130th Street. A modern, efficient railcar storage yard and shop facility is also part of the project. The Red Line Extension will provide a much needed and long-awaited one-seat ride for Far South Side residents from 130th Street to downtown, reduce commute times, improve mobility and accessibility for transit-dependent residents, provide multimodal connections, and foster economic development. The project will also provide viable linkages to affordable housing, jobs, services, and educational opportunities, thereby enhancing livability and neighborhood vitality.

At the end of 2020, the RLE project entered the Project Development Phase of the FTA New Starts program, which is a necessary step to pursue federal funding for the project. Around the same time, the CTA also began a year-long process of developing a community-driven Transit Supportive Development (TSD) Plan for the project, which will look at economic development opportunities and transit-related activities for several miles along the entire length of the five-mile extension. The RLE TSD Plan complements the City's INVEST South/West program, as the proposed Michigan Red Line station would serve as the southern anchor for the Michigan Avenue corridor (between 111th and 115th streets) identified for economic development. Importantly, the TSD Plan will utilize an equitable TOD (eTOD) planning approach, which seeks to promote development without displacement and realize community-focused benefits such as affordable housing, local economic development, and environmental sustainability. The Transit Supportive Development Plan (TSD) is expected to be completed soon.

In the first quarter of 2022 CTA expects to publish a Supplemental Environmental Assessment (EA), which will demonstrate that impacts from the project will not be damaging to the community and the project is cleared to proceed. When an EA demonstrates that a project will not have a significant effect on the environment, the process concludes with the FTA issuing a Finding of No Significant Impact (FONSI).

The CTA continues to advance the RLE project through the awarding of critical third-party agreements with railroads, utilities and other government agencies, as well as the development of materials to support the federal grant application. The 2021-2025 Capital Improvement Program includes more than $327 million over the next five years for use in support of this vital project.

At this time, the earliest anticipated start of construction is 2025, with service expected to begin in 2029. The entire Red Line Extension project is dependent on available funding.





Rebuild Illinois Investment: Governor J. B. Pritzker's historic, bipartisan "Rebuild Illinois" bill gives the state its first capital plan in nearly a decade and has provided funding for several CTA projects. On the construction and maintenance side, CTA has received $669 million and is using that funding to make progress on Phase One projects, targeted for work between 2020-2025. The goals of these projects are to make State of Good Repair (SOGR) progress system-wide; rehabilitate and modernize various CTA assets; and eliminate increasing maintenance costs and service compromises in the future.



Specific projects undergoing work or planning include: traction power upgrades at the Canal Tie House, as well as the Barry and Damen substations; Blue Line Forest Park Branch track improvements; Blue Line O'Hare Branch station improvements at Irving Park and Harlem; Green Line renovations at the Cottage Grove and King Drive stations; ASAP accessibility work at the Green Line Austin station and the Blue Line O'Hare Branch Montrose and California stations; and improvements to the Forest Glen and Kedzie bus garages.

On the vehicle side, funding will provide quarter-life overhauls and major component rebuilds for the 714 railcars that comprise our 5000-Series and the mid-life overhaul of 96 4300/33-Series articulated buses. State funding is also contributing towards the purchase of four new diesel locomotive snow fighters and the replacement of the 6400-Series buses – all of which are more than 20 years old – with 100 new, clean-diesel buses. In order to prevent and correct major mechanical, electrical, and structural problems through our bus and rail fleet, state funding will allow CTA to conduct system-wide SOGR repairs.

Blue Line Forest Park Branch Phase 1: As part of "Rebuild Illinois," CTA received funding for several key components of the $178 million Forest Park Phase 1 plan, including four surveys (light detection and ranging/LIDAR, utility survey and inspection, Racine station and Morgan substation site survey, and geotechnical/environmental investigation), track replacement, traction power improvements to the Hermitage substation, construction of a new substation at Morgan Street, and updates to the Racine Blue Line station to ensure customer accessibility.

All four survey projects were advertised and granted Notice to Proceed (NTP) in the first quarter of 2021 and will be completed by the end of the fourth quarter of 2021. Design contracts for the track improvements, Racine station, and traction power updates received NTP in June and July of this year and designs are expected to be completed in the first quarter of 2022 for track improvements, and in the second quarter of 2023 for the Racine station and traction power.

Non-Revenue Maintenance Shop: A new, 70,000 square foot maintenance facility is being built as part of a $70 million project at the 63rd Lower rail yard. This new facility will house and provide space for the maintenance of over 125 rail-mounted non-revenue vehicles and equipment used to maintain the entire rail system. Construction of this facility will allow for the relocation of non-revenue vehicles currently kept at the Skokie Heavy Maintenance Shop and make space for work associated with the quarter-life overhaul of the 5000-Series railcars. Following a competitive procurement process, a design-build contract was awarded for the construction of the new facility. The contractor has committed to DBE goals of 30.7 percent for design, and 27 percent for construction. Construction is expected to begin in early 2022.



New Control Center and Training Facility: Continuing the agency's efforts to modernize and improve operations and delivery of service, the CTA is planning two projects to modernize two critical functions: Control Center functions, as well as Training and Instruction.

The existing Control Center, which is located in the West Loop and opened in 1995, is a critical facility from where all CTA bus and rail operations, and rail traction power and security functions are managed. However, the facility is outdated, in need of costly repairs, and has significant space constraints. As a result, the CTA is starting the planning for the building of a new state-of-art facility with more space, modern technology, and adequate meeting space during major events or emergencies.

Current training for all CTA front-line operating employee takes place in small facilities that also have significant space limitations and are located at CTA facilities throughout the region. It is the CTA's intention to start the planning for a centralized training facility that enhances the training experience for front-line employees.

Station Projects

State/Lake Loop Elevated: In 2021, the Chicago Department of Transportation (CDOT) and CTA unveiled the preliminary design concepts for a completely rebuilt State/Lake Loop Elevated station – the latest marquee project among CTA's rail system modernization efforts. CDOT is leading the design and construction process.

The new State/Lake station will replace the more than 100-year-old existing structure with a modern, fully accessible rail facility with wider platforms and a host of customer amenities, built to 21st Century design standards. This project will also add four elevators – one at each corner of State and Lake – to make the station 100 percent accessible, marking a big step in the agency's All Stations Accessibility Plan, a blueprint to make all CTA train stations accessible.

The current State/Lake station was originally built in 1895 and serves five of the CTA's eight rail lines. In 2019, it was the second-busiest station on the Loop 'L', with more than 3.7 million annual entries. The $180 million project is an investment that will further modernize the system providing a first class, fully accessible transit hub in the heart of the Loop.



Damen Green Line: In 2019, the CTA broke ground for the new Green Line station at Damen Avenue and Lake Street. This new $60 million station, which is being constructed by CDOT, will include art by Folayemi "Fo" Wilson of Chicago's blkHaUS studios. A fully accessible station, Damen will be the fourth new Chicago CTA station added or started since 2011 and will serve the Kinzie Industrial Corridor, the United Center, and surrounding residential areas on the Near West Side. This new station will also serve the Chicago Housing Authority's Villages of Westhaven complex, which has seen notable residential and commercial growth in recent years. Construction will begin in the fourth quarter of 2021.

Cottage Grove Green Line: The CTA continues its partnership with the Preservation of Affordable Housing (POAH) and other community organizations on design concepts to modernize the Cottage Grove Green Line station entrance, address several state-of-good repair needs, and make other station improvements. The $75 million upgrades planned for this station complement the City of Chicago's ideas for redevelopment around the station at 63rd Street and Cottage Grove Avenue, as part of ongoing redevelopment and renewal in the Woodlawn neighborhood.

43rd Green Line: In the next couple years, the 43rd Green Line station is expected to receive station improvements that will enhance the customer experience. CTA is currently working through the planning phase on concepts and a project scope.

MARKETING AND COMMUNITY ENGAGEMENT

When You're Ready, We're Ready: In May 2021, in conjunction with the City of Chicago's reopening, CTA launched *When You're Ready, We're Ready*, a comprehensive, multi-faceted effort to welcome riders back to transit. The campaign has been promoting the affordability and convenience of the CTA, while also highlighting the multiple ways the agency is providing the safest, cleanest travel experience possible.

Outreach and communication efforts have included updated customer signage and in-system ads in rail stations and vehicles, direct customer communications, outreach tools for the business community, social media updates, new customer incentives and promotions, special events, and advertising and marketing efforts. Through these efforts, the CTA has been provided key information on mask requirements, cleaning activities, service and technology investments, and other key initiatives to support riders returning to transit.

CTA's campaign has also included strong promotional efforts to encourage ridership, through the deployment of *Welcome Back Ambassadors* to rail stations across the city, the distribution of *Travel Healthy Kits*, and partnering with the city to promote using the CTA to and from special events.



CTA also launched the ***More Fun, Less Fare*** promotion, offering price discounts on CTA's most-popular unlimited-ride passes. The promotion, originally planned for the summer months, was hugely popular with CTA customers. As such, it was extended through November, and will continue in 2022.

In 2022, the CTA will continue to develop innovative marketing initiatives that encourage ridership growth and further help support the City's recovery efforts.

Community Connection Bus: The Community Connection Bus is one of the CTA's most visible and popular outreach initiatives, designed to connect with riders and members of the communities we serve, while also promoting the benefits of public transportation. From spring through fall, this specially designed bus travels the city -- appearing at various music, sporting, cultural and neighborhood events -- to serve as a brand ambassador for CTA by providing valuable information about our services, programs and projects.



With this bus, the CTA was able to solicit feedback and strengthen community relationships with stakeholders, elected officials and customers, while providing information about CTA bus and rail service, Ventra cards and CTA career opportunities.

Despite the challenges posed by the pandemic this summer, CTA was still able to deploy the Community Connection Bus at some of the larger and more prominent events in Chicago, including Lollapalooza, Pitchfork Music Festival and the Chicago Wintrust Crosstown Classic between the Chicago White Sox and Cubs. Those three events alone brought exposure of our bus and services to more than 485,000 attendees.

CTA/CDPH VaxNation Bus Fleet: To help reduce barriers to vaccination and increase vaccine uptake among the city's most vulnerable residents, the Chicago Department of Public Health (CDPH), partnered with CTA this spring to launch a COVID-19 vaccine mobile distribution program using a CTA bus: *the Protect Chicago Vaccination Bus*. The first pilot event took place on March 31, at Atlas Senior Center and resulted in the successful vaccination of approximately 100 nearby residents.



Since March, the city has worked with community-based organizations, aldermen, and other community stakeholders to identify the best locations and promote the program among community members. The bus has now gone out to various communities across the city, and the program has prioritized seniors who live in zip codes with low vaccination rates. The vaccine has been offered at no cost to everyone regardless of insurance and immigration status.

First Day, Free Rides: The "First Day, Free Rides" program offers all Chicago students and their accompanying adult(s) a FREE ride on CTA buses and trains the first day of the academic school year for Chicago Public School (CPS).

A back-to-school tradition since 2011, this program encourages students (grades K-12) from public and private schools to establish good habits by getting to school each day. In 2019, the program provided approximately 106,000 free rides to students and their parents or guardians. Since the program's debut ten years ago, more than 1.1 million free rides have been provided for Chicago area students.

For the entire academic school year, students can take advantage of discounted fares of 75 cents on school days, between 5:30 a.m. and 8:30 p.m. Beyond school hours, elementary students, ages 7-11, are eligible for reduced fares of $1.10 for a bus ride and $1.25 for a train ride. Students who are age 12 and older will continue to pay the full fare of $2.25 on buses and $2.50 on trains. Children ages 6 and younger ride free with a fare-paying customer.

CTA Earns Top Industry Awards: This summer, the CTA received the highest honors in the North American public transportation industry: the Outstanding Public Transportation System Award and the Outstanding Public Transportation Manager Award, from the American Public Transportation Association (APTA).



The system award recognized the CTA's unprecedented modernization and efforts in 2020 to provide service during the Covid-19 pandemic. The Manager Award recognized the leadership and career accomplishments of CTA President Dorval R. Carter, Jr., a 30+-year transit veteran who guided the CTA through unprecedented circumstances, and ensured that the CTA was the only major U.S. transit agency to keep its full service schedule throughout the pandemic.

APTA represents more than 1,500 public- and private-sector organizations in North America, and more than 90 percent of people using transit in the U.S. and Canada ride APTA member systems. This was the first time in APTA history that one agency has received the top

awards for outstanding system and manager in the same year. It also marks the first time since the inception of APTA's award program in 1983 that the CTA has earned either of the two top awards.

Undoubtedly, this recognition is the result of the tireless and courageous work of the thousands of men and women who make up the CTA's workforce. The awards are even more meaningful given that they were awarded at a time of unprecedented challenges facing the CTA and the public transportation industry.

The strategic priorities outlined below reflect CTA President Dorval R. Carter, Jr.'s vision for the agency. CTA provides the Chicago region with on-time, affordable, convenient transportation that connects people, places, and jobs. Since he was named President in 2015, President Carter has been committed to three key priorities: enhancing safety, improving the customer experience, and expanding workforce development with a focus on equity and inclusion. The 2022 Budget supports these priorities.

CTA Mission Statement: CTA delivers quality, affordable transit services that link people, jobs and communities.

CTA Values: CTA provides safe, clean, on-time, courteous and efficient transit services. CTA accomplishes its mission with a diverse workforce that embodies the following values:

- Courteous – CTA will create a pleasant environment for its customers and employees.
- Innovative – CTA will seek out and encourage employees who initiate change, improvement, learning and advancement of its goals.
- Motivated – CTA will meet each task with spirit, enthusiasm, and a sense of pride to be second to none.
- Professional – CTA will provide transit service with the highest standards of quality and safety for its customers and employees.
- Reliable – CTA will be dependable for its customers and employees and will maintain the highest standards of trust.
- Results-Oriented – CTA will focus on getting the job done and will derive personal satisfaction from the service it provides.

Strategic Priorities for the FY22 Budget

- Safety – CTA aims to ensure that customers and employees have a safe and secure transit system and workplace that prioritizes safety over all other aspects of service delivery.
  - Partnership with Chicago Police Department
  - Security Grants through Department of Homeland Security

- Customer Experience – CTA places a high priority on putting the customer at the center of every decision made and action taken to ensure its services meet or exceed customer expectations.
  - Rail, Bus, and Infrastructure Improvements
  - Innovative Technological Advancements
  - Enhanced Cleaning Protocols

- Workforce Development – CTA invests in its workforce to build on the successes of the past and work toward a bright future, creating jobs and opportunity as it provides residents and visitors of the Chicago region with high quality transit service into the future.
  - Focus on Equity, Inclusion, and Diversity



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2016 – 2024 Operating Budget Schedule

	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual
Operating Expenses					
Labor	$ 1,027,047	$ 1,044,859	$ 1,070,458	$ 1,093,922	$ 1,135,354
Material	82,918	83,783	90,474	67,652	74,800
Fuel	32,738	28,757	32,079	40,396	37,125
Power	29,283	27,373	31,162	31,560	24,656
Provision for Injuries and Damages	10,500	3,167	5,000	7,500	22,000
Purchase of Security Services	14,095	17,041	17,502	14,920	19,976
Other Expenses					
Pension Obligation Bonds (Net)	111,779	104,469	105,526	103,378	105,735
Contractual Services	105,003	84,878	93,832	88,399	94,100
Utilities, Non-Capital Grant, Travel, Leases, Other	36,477	27,671	22,824	21,411	19,403
Other Debt Service	14,298	28,841	29,353	46,250	4,677
Other Expenses Total	267,558	245,860	251,535	259,438	223,916
Total Operating Expenses	**$ 1,464,142**	**$ 1,450,840**	**$ 1,498,210**	**$ 1,515,388**	**$ 1,537,826**
System Generated Revenue					
Fare and Passes	$ 577,007	$ 559,495	$ 588,791	$ 585,297	$ 232,830
Reduced Fare Subsidy	14,385	14,606	13,876	14,606	14,829
Advertising, Charter & Concessions	35,019	34,379	37,844	38,987	20,898
Investment Income	1,608	3,119	3,483	3,822	1,221
Statutory Required Contributions	5,000	5,000	5,000	5,000	5,000
Other Revenue	43,550	33,279	48,339	49,465	39,286
System Generated Revenue	**$ 676,567**	**$ 649,878**	**$ 697,333**	**$ 697,177**	**$ 314,063**
Public Funding					
Sales Tax I	$ 365,622	$ 364,280	$ 379,617	$ 388,833	$ 336,135
Sales Tax II	57,611	57,166	59,125	56,974	61,352
PTF II	67,936	64,762	65,519	67,915	63,929
RETT	79,063	62,021	71,518	62,373	51,023
PTF II on RETT	19,594	15,083	16,130	15,030	12,600
Non-Statutory Funding	218,922	209,021	211,425	220,959	209,271
ICE	1,000	6,129	6,019	6,127	5,624
Public Funding	**$ 809,748**	**$ 778,462**	**$ 809,352**	**$ 818,211**	**$ 739,933**
Allocated Federal Relief Funds	**$ –**	**$ –**	**$ –**	**$ –**	**$ 483,829**
Budget Balancing Actions*	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**
Total Operating Revenue	**$ 1,486,317**	**$ 1,428,340**	**$ 1,506,685**	**$ 1,515,388**	**$ 1,537,826**
Short-term Borrowing	**$ –**	**$ 22,500**	**$ –**	**$ –**	**$ –**
Federal Relief Funds Balance	**$ 22,175**	**$ –**	**$ 8,475**	**$ –**	**$ –**
Recovery Ratio**	**55.21%**	**55.48%**	**57.11%**	**56.26%**	**55.91%**
Required Recovery Ratio	**54.50%**	**54.75%**	**54.75%**	**54.75%**	**54.75%**

** Budget Balancing Actions includes ARP (American Rescue Plan Act) funds to be allocated by RTA*

*** Recovery ratio is calculated by dividing System-Generated Revenue by Operating Expenses. The calculation includes (i) in-kind revenues and expenses for security provided by the City of Chicago, (ii) excludes security expenses, Pension Obligation Bond debt service, ICE grant and depreciation and (iii) includes a portion of senior free ride revenue and certain grant revenues. The recovery ratio calculation includes $333.7 million of CARES funding and $62.0 million of CRRSA funds for 2021 forecast, $229.3 million of CRRSA funds and $156.2 million of budget balancing actions for 2022, and $478.3 million and $503.3 million of budget balancing actions for 2023 and 2024, respectively.*

Note: *Totals may not add due to rounding*

	2021 Budget	Amended 2021 Budget	2021 Forecast	Proposed 2022 Budget	2023 Plan	2024 Plan
Operating Expenses						
Labor	$ 1,169,104	$ 1,165,179	$ 1,155,837	$ 1,241,207	$ 1,303,268	$ 1,368,431
Material	87,767	88,082	89,600	102,578	106,681	110,948
Fuel	38,138	36,281	33,808	35,440	41,294	40,629
Power	31,685	30,390	28,598	36,480	35,099	35,495
Provision for Injuries and Damages	31,680	31,680	31,680	31,680	31,680	31,680
Purchase of Security Services	20,176	19,319	17,446	26,269	27,845	29,516
Other Expenses						
Pension Obligation Bonds (Net)	105,971	105,971	105,971	104,332	104,332	104,332
Contractual Services	116,908	115,583	110,819	134,666	138,556	142,563
Utilities, Non-Capital Grant, Travel, Leases, Other	30,556	32,144	19,334	24,462	25,685	26,969
Other Debt Service	13,081	13,081	13,081	9,682	13,958	20,808
Other Expenses Total	266,515	266,779	249,204	273,143	282,532	294,673
Total Operating Expenses	**$ 1,645,065**	**$1,637,710**	**$1,606,173**	**$1,746,797**	**$1,828,399**	**$ 1,911,372**
System Generated Revenue						
Fare and Passes	$ 248,275	$ 248,275	$ 240,317	$ 293,925	$ 323,750	$ 353,017
Reduced Fare Subsidy	14,606	14,606	14,606	14,606	14,606	14,606
Advertising, Charter & Concessions	24,512	20,571	16,935	26,742	29,630	30,410
Investment Income	1,000	304	297	500	1,000	1,250
Statutory Required Contributions	5,000	5,000	5,000	5,000	5,000	5,000
Other Revenue	44,923	35,766	36,005	28,137	30,668	33,141
System Generated Revenue	**$ 338,317**	**$ 324,521**	**$ 313,159**	**$ 368,910**	**$ 404,654**	**$ 437,424**
Public Funding						
Sales Tax I	$ 324,529	$ 352,106	$ 418,088	$ 431,244	$ 441,766	$ 454,577
Sales Tax II	38,884	47,645	75,352	51,655	50,788	49,836
PTF II	57,556	62,419	74,487	78,954	81,088	83,440
RETT	46,740	48,294	64,968	65,617	67,218	69,168
PTF II on RETT	11,446	11,840	15,779	16,393	16,805	17,292
Non-Statutory Funding	187,545	203,682	241,922	271,713	280,776	289,155
ICE	4,852	5,548	6,738	6,806	6,972	7,174
Public Funding	**$ 671,550**	**$ 731,533**	**$ 897,334**	**$ 922,382**	**$ 945,414**	**$ 970,642**
Allocated Federal Relief Funds	**$ 635,198**	**$ 581,655**	**$ 395,680**	**$ 299,281**	**$ –**	**$ –**
Budget Balancing Actions*	**–**	**–**		**156,224**	**478,331**	**503,305**
Total Operating Revenue	**$ 1,645,065**	**$1,637,710**	**$1,606,173**	**$1,746,797**	**$1,828,399**	**$ 1,911,372**
Short-term Borrowing	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**
Balance	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**
Recovery Ratio**	**54.75%**	**54.78%**	**57.02%**	**56.86%**	**57.71%**	**58.39%**
Required Recovery Ratio	**54.75%**	**54.75%**	**54.75%**	**54.75%**	**54.75%**	**54.75%**

** Budget Balancing Actions includes ARP (American Rescue Plan Act) funds to be allocated by RTA*

*** Recovery ratio is calculated by dividing System-Generated Revenue by Operating Expenses. The calculation includes (i) in-kind revenues and expenses for security provided by the City of Chicago, (ii) excludes security expenses, Pension Obligation Bond debt service, ICE grant and depreciation and (iii) includes a portion of senior free ride revenue and certain grant revenues. The recovery ratio calculation includes $333.7 million of CARES funding and $62.0 million of CRRSA funds for 2021 forecast, $229.3 million of CRRSA funds and $156.2 million of budget balancing actions for 2022, and $478.3 million and $503.3 million of budget balancing actions for 2023 and 2024, respectively.*

Note: *Totals may not add due to rounding*

2021-2024 Consolidated Financial Overview

The Consolidated Financial section provides a comprehensive financial overview of the 2021 operating budget forecast, 2022 proposed budget, and 2023-2024 Financial Plan. This consolidated view improves the visibility and understanding of the year-to-year progression of the financials and supporting details for each of the major expense categories. This section is organized as follows:

1. Consolidated Financial Overview
    a. 2021 Operating Budget Forecast
    b. 2022 Proposed Operating Budget
    c. 2023-2024 Financial Plan
2. Consolidated Operating Expenses
    a. Labor Expenses
    b. Material Expenses
    c. Purchase of Security Services
    d. Fuel & Power Expenses
    e. Other Expenses
3. Consolidated Operating Revenues
    a. System Fares
    b. System Generated Revenues
    c. Public Funding
    d. Ridership
    e. Recovery Ratio

During 2021, the Covid-19 pandemic continued to impact the CTA, as it has public transportation throughout the country. While the economy has shown signs of recovery during 2021, economic activity remains constricted compared to pre-pandemic levels. Many businesses have reduced hours of operation, employees continue to work from home and many people have opted to drive. The impact to ridership and farebox revenue has been devastating.

Through April 2021, ridership was 34 percent and farebox revenue was 33 percent of 2019 levels. In an effort to rebuild ridership, the CTA implemented a summer pass promotion and lowered prices for 7-day, 3-day and 1-day passes. The initial promotion was effective from Memorial Day through Labor Day and more than ten million rides were taken on the promotional passes over the summer. During the promotion period, CTA added nearly 1 million rides per week and ridership grew to be approximately 50 percent of 2019 levels. CTA extended the promotional pass pricing to the end of November 2021 due to its initial success over the summer. The 2022 budget recommendations include a major overhaul of the fare structure that includes making promotional pass pricing permanent.

The changes to the fare structure are intended to better serve existing and returning riders to the system. Riders are seeking greater flexibility when making their travel choices. Moreover, it is imperative to keep transit affordable for essential workers and residents that continued to utilize the system through the pandemic. On average the cost of passes is being reduced by 34 percent. Additionally, the first transfer fare between CTA services is being removed in the 2022 Budget.

Despite compressed ridership levels, CTA has continued to operate as much service as possible in 2021. With a continued focus on enhanced safety measures, the CTA has provided a clean and safe travel experience on the bus and rail system.

While fare revenue continues to be depressed in 2021, Public Funding has seen significant growth due to increased sales tax receipts and the inclusion of online sales tax. In addition, the State restored the 5 percent cut to Public Transportation Funds (PTF). However, the State continues to impose the 50 percent reduction to the Reduced Fare Reimbursement and the 1.5 percent surcharge to the Sales Tax revenues. The Public Funding forecast for 2021 is $897.3 million, which is $225.8 million higher than the 2021 budget. The favorable uptick in Public Funding is expected to continue in the near term, with 2022 Public Funding expected to be 37 percent higher than the 2021 budget.

In March 2021, President Biden signed the American Recue Plan (ARP) Act into law. The plan provides additional relief to individuals and businesses impacted by Covid-19. ARP funding is the third emergency relief package to provide continued support to transit agencies in response to the Covid-19 pandemic. The RTA region, which includes Northwest Indiana, Southeast Wisconsin, as well as CTA, Metra and Pace, received approximately $1.5 billion of ARP funds. The funds have not yet been allocated to the Service Boards. In addition to ARP funds, CTA received $817.5 million of Coronavirus Aid, Relief and Economic Security (CARES) Act funds and $361.3 million of Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act funds. The CARES funds are expected to be exhausted in 2021. CTA expects to utilize approximately $62 million of CRRSA funds in 2021, with the remaining $299 million carrying over into 2022. The 2022 budget will utilize the remainder of the CRRSA funds and will require approximately $156 million of ARP funds to close the remaining gap. ARP funds will also be needed to close the gaps in 2023 and 2024, which is currently estimated to be $981 million.

The table below provides an overview of the 2021 forecast, 2022 proposed budget and 2023-2024 financial plan.

In Thousands	2021 Forecast	Proposed 2022 Budget	2023 Plan	2024 Plan
System Generated Revenue	$313,159	$368,910	$404,654	$437,424
Public Funding	$897,334	$922,382	$945,414	$970,642
CARES & CRRSA Funds	$395,680	$299,281	$ -	$ -
Total Operating Revenue	$1,606,173	$1,590,573	$1,350,068	$1,408,067
Total Operating Expenses	$1,606,173	$1,746,797	$1,828,399	$1,911,372
Additional Required Federal Relief Funds	$ -	$156,224	$478,331	$503,305

2021 Operating Budget Forecast

The 2021 Operating Expense forecast is projected to be $1,606.2 million, which is $38.9 million or 2.4 percent lower than the 2021 budget and $68.3 million, or 4.4 percent higher than 2020 actuals. Labor is driving the increase.

The 2021 Operating Revenue forecast is projected to be $1,210.5 million, an increase of $200.6 million or 19.9 percent over 2021 budget, and $156.5 million or 14.8 percent over 2020 actuals. System Generated Revenue accounts for 25.9 percent of Operating Revenue. Compared to the 2021 budget, the 2021 forecast is lower by $25.2 million or 7.4 percent and flat to 2020 actuals. Fare and passes are 76.7 percent of

system generated revenue and are forecast to be $8.0 million lower than 2021 budget and $7.5 million higher than 2020 actuals.

Public Funding 2021 forecast is 33.6 percent or $225.8 million higher than the 2021 budget and $157.4 million higher than 2020 actuals. Stronger sales tax receipts, including the addition of online sales tax receipts, and restoration of PTF is driving the increase in funding.

The 2021 forecasted budget deficit of $395.7 million represents a significant improvement from the 2021 budget. The 2021 budget deficit was estimated at $635.2 million. This represents an improvement of 38 percent. The CTA will utilize federal relief funds to close the budget gap in 2021.

2022 Proposed Operating Budget

The 2022 proposed operating budget of $1,746.8 million reflects the continued impact of the Covid-19 pandemic. There is an operating budget gap of $455.5 million. CRRSA funds will cover $299 million, but $156 million of ARP funds will also be required.

2022 budgeted operating expenses of $1,746.8 million is $101.7 million higher than the 2021 budget and $140.6 million higher than the 2021 forecast. Labor, material and security services expenses are approximately 76.2 percent of the increase from 2021 forecast to 2022 budget.

While there are some areas where operating expenses are increasing, the CTA continues to implement cost containment measures such as:

- Restricting hiring on vacant positions
- Lock in fuel costs at historically low market prices, providing CTA with a level of certainty
- Lock in power costs at historically low market prices, which provides budget certainty at attractive prices. From 2021-2024, the cumulative four-year savings are estimated at $15 million versus market pricing at the time of budgeting
- Aligning capital uses with capital funding sources

2022 budgeted operating revenue is $1,291.3 million, $281.4 million or 27.9 percent higher than 2021 budget and $80.8 million higher than the 2021 forecast. System Generated revenue is budgeted at $368.9 million for 2022, $30.6 million higher than 2021 budget and $55.8 million higher than 2021 forecast. Farebox revenue of $293.9 million is 18.4 percent higher than the 2021 budget and 22.3 percent or $53.6 million higher than 2021 forecast. While farebox revenue is 50 percent of pre-pandemic 2019 levels, positive trends have been emerging over the last year. 2022 Public Funding is budgeted at $922.4 million, an increase of $250.8 over 2021 budget and $25.0 million over 2021 forecast.

2023-2024 Financial Plan

The two-year financial plan continues the Authority's mission to deliver quality, affordable bus, and rail transit services and assumes no deviation from current service levels or increased fares. The plan projects a gradual return to "a new normal" from the COVID-19 health pandemic. The pandemic has changed the way people live and work in the near term and is expected to continue to do so into the foreseeable future. The CTA is experiencing fundamental shifts in its ridership such as a shift from business to leisure, an expansion of "peak" travel periods, a shift away from transit trips into the central business district, all of which could impact future budget plans should these trends continue.

Operating expenses are estimated to be $1,828.4 million in 2023 and $1,911.4 million in 2024. Compared to the 2022 budget, operating expenses are expected to grow by $81.6 million or 4.7 percent in 2023 and by $83.0 million or 4.5 percent in 2024. Labor and Other Expenses are the drivers of increases in 2023-2024.

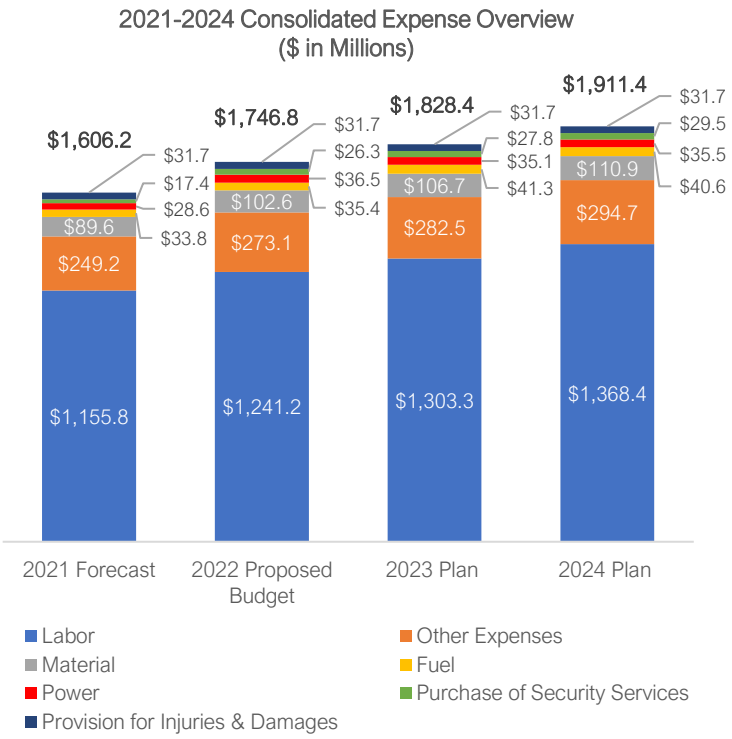
The two-year financial plan projects system-generated revenue will grow from $1,291.3 million in 2022 to $1,350.1 million in 2023, and to $1,408.1 million in 2024. 2023 fare and passes revenue shows an increase of $29.8 million rides or 10.1 percent growth compared to 2022. In 2024 farebox revenue increases $29.3 million over 2023 or a 9.0 percent increase. Ridership levels are projected to be 60 percent and 65 percent in 2023 and 2024, respectively, compared to 2019. The projection for farebox revenue is 55 percent and 60 percent for 2023 and 2024 compared to 2019. Both ridership and farebox revenue are showing year over year growth, however it is difficult to predict ridership with any certainty given these unsettled times and outside factors impacting ridership due to the pandemic.

Under the two-year plan, public funding is expected to increase by 2.5 percent in 2023 and 2.7 percent in 2024. The increases are driven primarily by higher projected sales tax receipts.

The CTA continues to strengthen its management team, policies and procedures, and internal controls to ensure attainment of operational goals and efficiencies throughout the Authority.

Consolidated Operating Expenses

This section discusses in detail each of the major expense categories for the 2021 Operating Budget Forecast, 2022 Proposed Budget and 2023-2024 Financial Plan for each of the major expense categories:



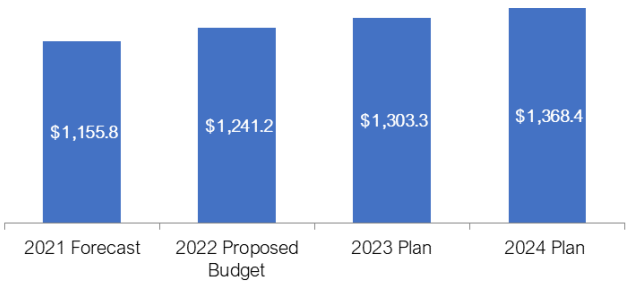
Labor

Labor represents approximately 72 percent of total operating expenses. The 2021 labor expense is forecasted to be $1,155.8 million which is $13.3 million, or 1.1 percent, lower than the 2021 budget of $1,169.1 million. Compared to 2020 actuals, labor increased $20.5 million. Labor is favorable due to increased vacant positions through 2021.

The 2022 labor expense is budgeted to be approximately $1,241.2 million, a $72.1 million increase from the 2021 labor budget, and an $85.4 million increase from the 2021 forecast. The proposed labor budget assumes no significant changes to service levels and includes approved contractual wage increases for craft union employees. Increased labor costs also reflect the ongoing impact of COVID-19 on staffing levels and overtime due to a tight labor market and higher absenteeism rates, extra cleaning of buses, trains and rail stations, fringe benefit expenses, including healthcare costs, and additional positions as detailed in the Budgeted Positions section below.

Labor expenses are projected to be $1,303.3 million in 2023 and $1,368.4 million in 2024. The impact of the pandemic is expected to continue to impact employee absenteeism and overtime for the foreseeable future. As such, fringe expenses are also expected to increase annually. The labor costs for the financial plan reflect a 5.0 percent growth rate for 2023 and 2024.

Labor Expenses ($ in Millions)



Budgeted Positions

	Budgeted Positions*		
	2020	2021	2022
Non-STO	4,686	4,729	4,869
Bus STO**	3,815	3,820	3,817
Rail STO**	1,810	1,833	1,830
Total*	**10,311**	**10,382**	**10,516**

*Total includes Capital-funded positions, filled and vacant
**Scheduled Transit Operations (STO) Full-Time Equivalents (filled only)

CTA's 2022 labor budget reflects an increase of approximately 140 non-scheduled transit operations positions. Of the 140 new positions, 101 positions are funded by capital projects, including the following: Red, Purple Modernization project, Refresh and Renew station improvement initiative, Railcar Overhaul project and general construction programs.

The additional 39 positions funded by the operating budget support the Authority's strategic focus on Customer Experience, Safety & Security, and Workforce Development, as well as Innovation and Equity initiatives.

The positions are distributed as follows: 15 positions are being added to Operations departments, 13 of which are bargained for positions including rail janitors and laborers to work on station cleaning and maintenance initiatives, 8 positions are being added to the Safety & Security departments, 3 positions are being added to Training & Workforce Development, 1 position is being added to Planning to perform survey market research that is anticipated to be particularly important in assessing rapid changes to ridership behavior, 2 positions are being added to the Communications department to work on communication and marketing efforts that encourage ridership, 3 positions are being added to the Office of Innovation to continue innovation and technology initiatives that seek to improve the customer experience, 1 position is being added to a new Office of Equity and Inclusion to focus on equity and inclusion initiatives, which are all the more important given the impacts of the pandemic, and 6 positions which were moved from the capital funded budget to the operating budget based on the type of work performed.

The 2022 labor budget reflects a decrease of approximately 6 scheduled transit operations ("STO") positions. The slight decrease in positions is aligned with the slight decrease in the budget for STO hours.

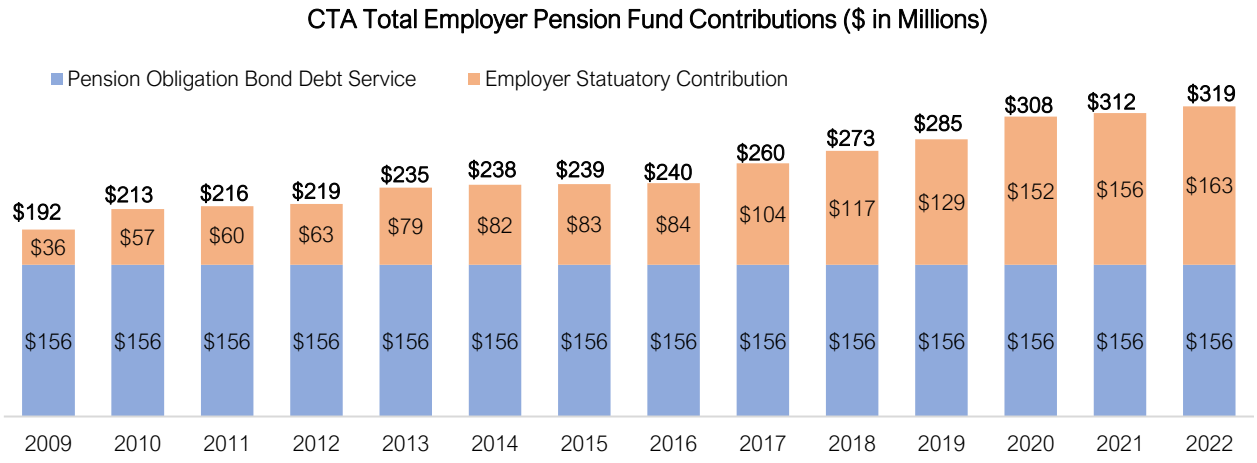
Pension Contributions

In 2008, the CTA became one of the first public entities in the State of Illinois to enact pension reform with the goal for the fund to meet at least 90 percent of its projected liabilities by 2059. The legislation has a three-part annual required contribution test. Each year, an actuary determines whether the CTA employer and employee contributions need to be increased due to several factors, including annual returns on investments and demographic data. The interim goal is to maintain a minimum 60 percent funding by 2039. The final requirement ensures that if the plan falls below 60 percent, contribution rates are adjusted to attain this funding level within 10 years. Any deviation from funding based on the annual required contributions could result in a directive from the State of Illinois Auditor General to increase the CTA and employee contributions.

The CTA's employer contributions are comprised of two separate payments. The CTA issued $2 billion of pension obligation bonds (POBs) in conjunction with the pension reform and subsequently deposited the proceeds into the pension fund. The annual debt service payment for the POBs is approximately $156 million. In addition to those contributions, the CTA makes annual contributions to comply with statutory requirements. In 2009, this annual contribution was $36 million; however, the annual amount is $162.6 million in 2022, a 4.4 percent increase over 2021. Including debt service on the Pension Obligation Bonds, nearly 20 percent of CTA's budget is allocated to provide for pension contributions. The 2022 and all prior year increases are due to various factors, including investment returns and demographic data. Strong market returns in 2020 are the primary driver for no change in the contribution rate for 2022. If the fund does not meet its target rate of return of 8.25 percent annually, then contribution levels are adjusted to meet the tests above.

The CTA's employer contributions are augmented by employee contributions, both of which have correspondingly increased due to the pension reform legislation. Contributions are deducted directly from employees' paychecks. As pension costs continue to increase due to investment underperformance and other factors, the CTA will have to enact cost savings or derive additional revenues to meet these requirements.

CTA Pension Contribution Rates *(per 2008 legislation)*		
Year	Employee	CTA
2007	3.00%	6.00%
2008	6.00%	12.00%
2009	6.00%	12.00%
2010	8.35%	16.70%
2011	8.35%	16.70%
2012	8.65%	17.30%
2013	10.13%	20.26%
2014	10.13%	20.26%
2015	10.13%	20.26%
2016	10.13%	20.26%
2017	11.96%	23.92%
2018	12.01%	24.02%
2019	12.01%	24.02%
2020	13.324%	26.647%
2021	13.324%	26.647%
2022	13.324%	26.647%

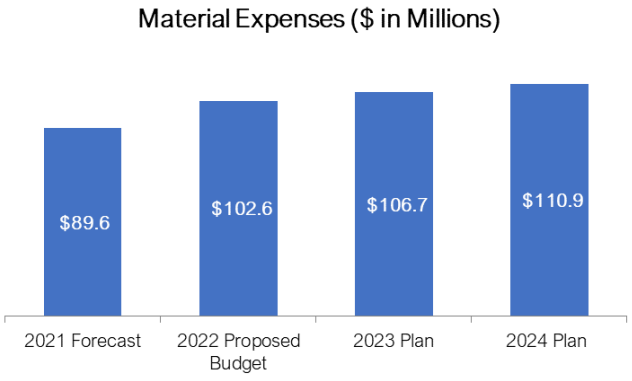


Material

Material spending for 2021 is forecasted to be $89.6 million, which is $1.8 million or 2.1 percent higher than the 2021 budget, and $14.8 million over 2020 actuals. The COVID-19 health pandemic continues to have an impact on the Authority's Material expenses due to the ongoing need for personal protective equipment and cleaning supplies to ensure the safety of employees and customers. Moreover, the 2021 expenses also reflect a continuation of strategic capital investments in the maintenance of CTA's bus fleet and rail cars, facilities, and infrastructure.

For 2022, material expenses represent 6.0 percent of the budget, at $102.6 million. This is $14.8 million higher than the 2021 budget and $13.0 million higher than the 2021 forecast. CTA's increase in material expenses for 2022 is primarily driven by expiring warranties on most of the bus fleet and new overhaul work on buses and rail cars, as well as COVID-19 related expenses for personal protective equipment and cleaning supplies. Additionally, the CTA is subjected to the supply chain issues and material shortages the global economy is facing and the corresponding upward pressure on prices. CTA will continue its proactive ongoing capital maintenance for infrastructure and the bus and rail fleet, which focuses on high-failure parts for railcars and major component systems related to buses. These ongoing targeted capital campaigns aim to maintain and improve service to customers by proactively replacing components that are the top causes of mechanical delays to CTA's bus and rail fleet. Additionally, these targeted programs provide CTA a mechanism to better manage the level of material expenditures.

The financial plan projects material expenses to be $106.7 million in 2023, and $110.9 million in 2024, growing 4.0 percent annually for 2023-2024. The increase reflects the increased costs to maintain CTA's bus and rail fleet.



Fuel & Power

CTA is forecasted to spend $33.8 million on diesel fuel for buses in 2021. This is down $3.3 million (9 percent) from 2020, when the annual spending on diesel fuel was $37.1 million. The 2021 forecast is $4.3 million (11 percent) below the 2021 budgeted expense of $38.1 million. Fuel consumption for 2021 is budgeted at 16.6 million gallons, while the forecast total is 15.2 million gallons, or 8 percent less than budgeted. Gallon consumption increased by 6 percent from 2020 (actual) to 2021 (forecast) as bus ridership rebounded from its lows during the initial pandemic lockdown in the spring of 2020; additional passenger weight on buses results in greater fuel usage. Despite increased diesel usage in 2021, annual diesel expenses are forecast to be lower than 2020 due to CTA's hedging strategy of locking in a favorable fixed price on a portion of fuel supply in advance.

CTA is budgeting diesel fuel expenditures for the bus fleet to be $35.4 million in 2022. This budget is $2.7 million (7 percent) lower than the 2021 budget of $38.1 million, and $1.6 million higher than the $33.8 million 2021 forecast diesel spend. The 2022 budget assumes CTA will consume 16.6 million gallons of diesel fuel, the same volume as the 2021 budget. CTA continued its practice of fixed-price purchasing for 2022, locking in 75 percent of expected consumption. CTA successfully locked in 2022 fuel supply at historically low prices shortly after the pandemic hit the U.S. in spring 2020. Combined with higher market pricing for the remaining 25 percent of expected consumption, this yields a 2022 budgeted unit price of $2.13 per gallon versus the 2021 budgeted unit price of $2.29 per gallon.

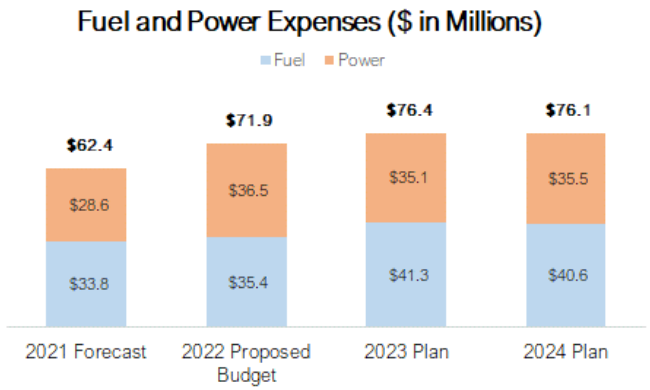
The 2-Year Financial Plan projects diesel fuel costs to be $41.3 million in 2023 and $40.6 million in 2024. This plan assumes the continuation of CTA's strategic fixed price purchasing policy and a slightly lower projection for fuel consumption levels as bus fleet efficiency improves with the replacement of CTA's oldest diesel buses. At the time of budgeting, CTA is conducting a procurement process for the purchase of diesel fuel supply and delivery for the years 2023 through 2025, with options for two, one-year extensions (2026 and 2027). As a result, CTA has not yet locked in any pricing for those years and the cost is subject to change based on market conditions.

The 2021 forecasted expenditure for CTA's traction (rail system) electric power is $28.6 million. This is $3.1 million (10 percent) less than the 2021 budgeted expense. The 2021 forecast expense is up $3.9 million (16 percent) versus 2020 actual spending of $24.7 million. This increase is due to a 12 percent rise in electricity consumption as rail ridership has recovered year-over-year; similar to buses, greater passenger weight on rail cars results in higher energy use. CTA has a flat fixed rate on its electricity supply for 2020 through 2024, which helps provide budget certainty and insulate CTA from significant market volatility. CTA's fixed

rate on 2021 electricity supply is estimated to save nearly $2.8 million versus market pricing for the year. In mid-2021, CTA began running 10 prototypes of its latest model of rail cars, the 7000-Series, which feature regenerative braking: the friction energy generated from train brakes is fed back into the third rail and then consumed by other accelerating trains. This lowers electricity consumption by more than 10 percent system-wide.

For 2022, CTA is budgeting $36.5 million in expenses for traction (rail system) electric power. The 2022 budget is $4.8 million (15 percent) higher than the 2021 budget of $31.7 million, and $7.9 million more than the 2021 forecast of $28.6 million. The 2022 budget assumes CTA will consume 444 million kilowatt-hours of electricity, the same assumption as the 2021 budget. This is based on a weather scenario in line with the average from the last 10 years. While CTA has a flat fixed rate on its electricity supply for 2020 through 2024, Commonwealth Edison (ComEd) charges for electricity distribution are anticipated to increase significantly in 2022 due to the enactment of the Illinois Energy Transition Act (Illinois Public Act 102-0662). This new Illinois state law increases ratepayer charges to create or enhance incentives for nuclear and renewable power generation, energy efficiency, electric vehicles, and workforce training in the clean energy industry.

The proposed 2-Year Financial Plan projects CTA's traction (rail system) power expenses to be $35.1 million in 2023 and $35.5 million in 2024. During this period, CTA projects consumption levels to be flat year-to-year. While this plan includes continued savings from CTA's fixed-price contract for electric power supply, it also reflects annual increases in ComEd's base rate for electric power delivery. Other than changes in law, any market adjustments to capacity and transmission charges will not affect the CTA because these charges are embedded in CTA's fixed-price contract for electric supply.

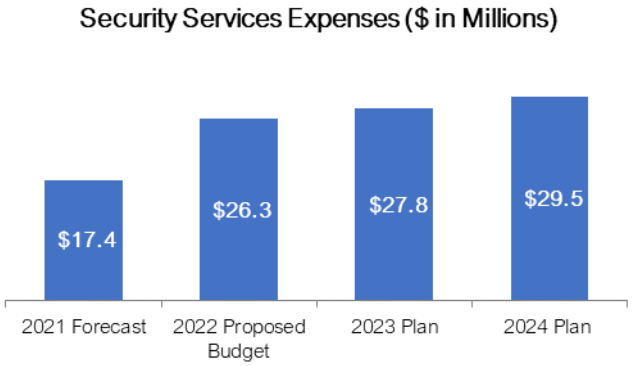


Purchase of Security Services

The budget for the purchase of security services consists of expenditures for intergovernmental agreements with officers from the Evanston, Oak Park, Forest Park and Chicago police departments, as well as contracts with other private security firms. The Public Transportation Unit of the Chicago Police Department also provides services during its regular patrols at no expense to CTA.

Expenses for 2021 are forecasted to be $17.4 million, which is 13.5 percent under budget for the year, and 14.5 percent under 2020 actual expenses. For 2022, the CTA's security services are budgeted at $26.3 million. This represents a $6.1 million increase, or 30.2 percent, over the 2021 budget; and a $8.8 million increase, or 50.6 percent, compared to the 2021 forecast. The increase is due to additional contracted security services for the rail system and facilities, as well as, expected wage increases.

For the 2-Year Financial Plan, purchase of security services is projected to be $27.8 million in 2023 and $29.5 million in 2024. The annual growth rate is projected to be 6 percent for 2023 and 2024, due to annual contractual increases with private security firms.



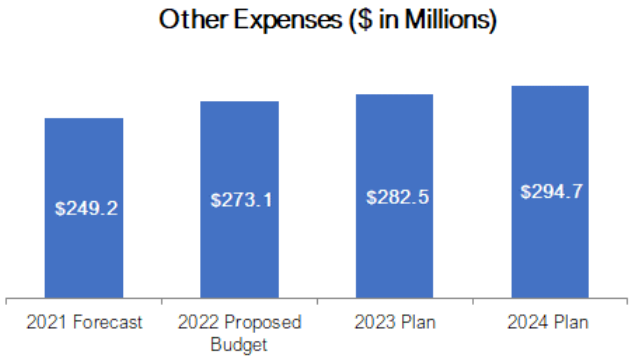
Provision for Injuries and Damages

This budget item represents expenses for claims and litigation for incidents that occur on CTA property and those incidents involving CTA vehicles. The budget is determined by the CTA's actuaries based on actual claims history and future projections. The 2021 forecast is $31.7 million. Expenses are projected to remain flat for 2022 -2024.

Other Expenses

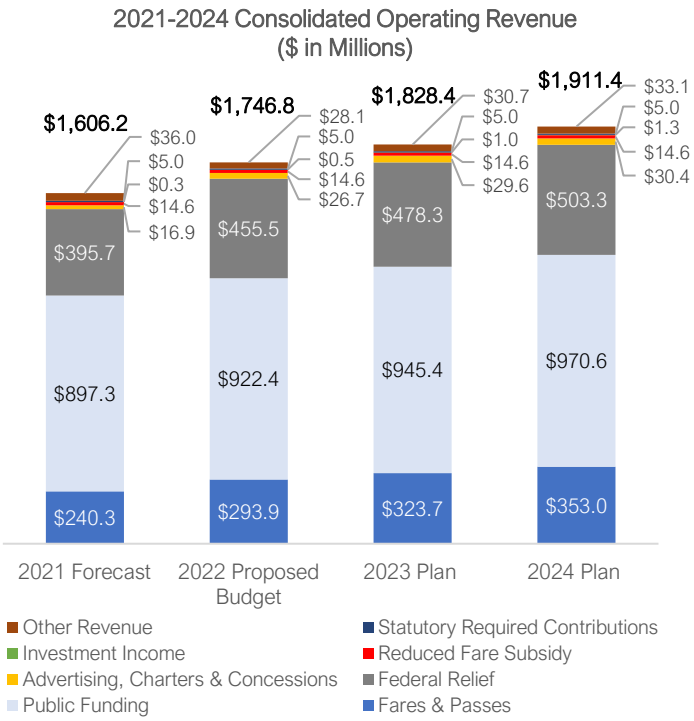
The Other Expenses category includes expenses such as utilities, legal fees, advertising, bank fees, debt service for sales tax revenue bonds, TIFIA loans and outstanding pension obligation bonds, consulting services and other miscellaneous expenses. Other Expenses are forecasted to end 2021 at $249.2 million, which is $17.3 million lower than budget, but $25.3 million higher than 2020 actuals. The lower forecasted expenditures are due to lower than budgeted expenses in contractual services, utilities, non-capital grant, travel, leases, and other general expenses categories.

In the 2022, Other Expenses are budgeted to be $273.1, an increase of $6.6 million compared to the 2021 budget, and an increase of $23.9 million compared to the 2021 forecast. The increase is primarily due to increases in leases, equipment rentals and contractual services. For the 2-Year Financial Plan, Other Expenses are projected to be $282.5 million in 2023 and $294.7 million in 2024. The increase for 2023-2024 is primarily driven by increased debt service for 95th street, Your New Blue, and Railcar TIFIA loans.



Consolidated Operating Revenues

The following Consolidated Operating Revenues will present the 2021 Operating Budget Forecast, 2022 Proposed Budget and 2023-2024 Financial Plan for each of the major revenue categories:



System Generated Revenue

System-generated revenues for 2021 are forecasted to be $313.2 million or $25.2 million lower than the 2021 budget of $338.3 million and $0.9 million lower than the 2020 actual revenue. The 2021 forecast is lower than the budget driven by lower than expected farebox and advertising revenues, as well as, the City of Chicago eliminating the ride-hailing fee revenue indefinitely.

For 2022, system-generated revenues are budgeted to be $368.9 million, an increase of $30.6 million compared to the 2021 budget and an increase of $55.8 million compared the 2021 forecast. For the 2-Year Financial Plan, system-generated revenues are forecasted to increase to $404.7 million in 2023 and to $437.4 million in 2024.

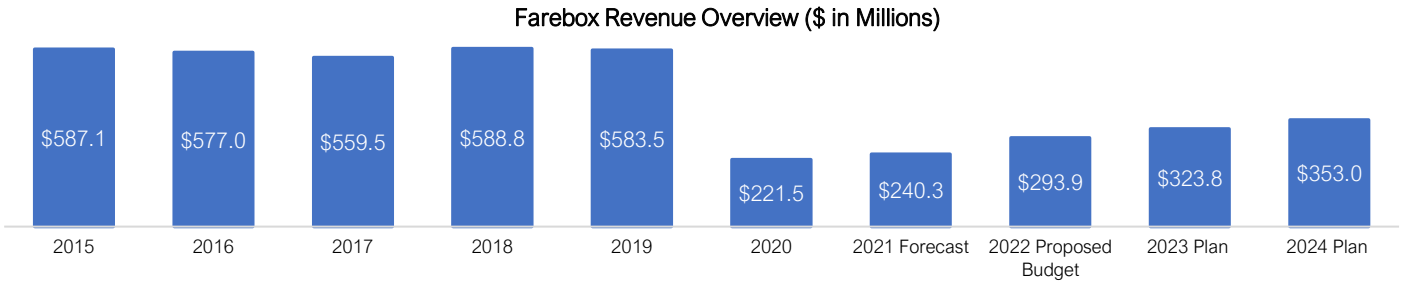
In order to respond to changes in ridership habits, the CTA implemented reduced fares on its pass products to attract new riders and encourage continued ridership of existing riders. In 2021, CTA implemented a promotional fare reduction on 7-day, 3-day and 1-day passes. The initial promotion ran from Memorial Day through Labor Day. CTA will make these pass promotions permanent and will also reduce prices on other pass products. The CTA wants to encourage people to ride, ride more and connect seamlessly between services.

Fare and pass revenues are forecasted to be $240.3 million for 2021 which is $8.0 million lower than the 2021 budget and $7.5 million higher than the 2020 actual. Farebox revenues have been severely impacted for 2020 and 2021 due to lower ridership as a result of the COVID-19 pandemic. Customer concerns about COVID-19 transmission risk, stay at home orders, social distancing mandates and restrictions on business activity have led to devastating impacts on revenue. While ridership and farebox revenues have begun to improve as the economy reopened in later 2020 and throughout 2021, they remain substantially below 2019 pre-pandemic levels.

To make transit even more attractive and easier to use for new and returning customers, the CTA is adjusting its fares in late November 2021 to further encourage transit use as a fast and affordable way to get around Chicago. The changes are highlighted below:

- Streamlining Pay-Per-Use base fares by removing the $0.25 transfer for full fare Ventra Card/PAYG and $0.15 transfer fare for reduced/student fare Ventra Card.
- Extending the popular 1-Day, 3-Day, and 7-Day pass promotions that debuted Memorial Day Weekend this year to support the City's "Open Chicago" initiative to bring back events, festivals, dining, and other indoor and outdoor activities.
    - 1-day pass price reduced from $10 to $5
    - 3-day pass price reduced from $20 to $15
    - 7-day Pass price reduced from $28 to $20 (with a $5 premium for a CTA/Pace pass)
- Full Fare 30-day Pass price reduced from $105 to $75 and Reduced 30-day pass cost from $50 to $35.
- CTA is also recommending changes that reduce the complexity of interagency (CTA, Metra, Pace) fare policies that can be implemented after working with our partners. We plan to work with Pace to integrate 1- and 3-Day passes with the suburban bus agency, and work with Metra and Pace to lower the price of the Metra Link-up Pass to $30 as well as modernize the business rules for all-time riding on CTA. We also plan to convert the 30-Day Pass to a calendar monthly offering. These changes will take effect at a later date in 2022 pending multi-agency board approvals.

For 2022, revenue from fares and passes is budgeted to be $293.9 million, which is $45.6 million higher or 18.4 percent than the 2021 budget and $53.6 million or 22.3 percent higher than the 2021 forecast. The increase in farebox revenue is due to higher projected ridership as the local economy continues to reopen and COVID-19 restrictions that were in place for most of 2020-2021 are lifted. For the Two-Year Financial Plan, from a base of $293.9 million in 2022, fare and pass revenue are projected to increase by $29.8 million to $323.8 million in 2023 and by $29.3 million to $353.0 million in 2024. There is the expectation that system ridership will continue to increase as the local economy continues to reopen, COVID-19 vaccine rates among the population increase, and the local workforce returns to the office. If the local economic recovery is slowed or halted due to additional COVID-19 variants, COVID-19 booster vaccine availability, or other measures, this projection will be adjusted.



Reduced fare subsidy revenue is the State of Illinois' reimbursement to the CTA, Metra and Pace for discounted and free fares given to seniors and people with disabilities participating in the State's Circuit Breaker Program. Pre-pandemic, the CTA provided nearly 100 million free and reduced-fare trips annually to qualified riders based on federal, state, or local mandates. This reduced-fare subsidy only covers a portion of the more than $100 million in actual free and reduced rides provided by the CTA annually. The Illinois General Assembly provides partial support to local transit agencies for this mandate, with the reduced fare subsidy. Consistent with guidance from the RTA, the 2022 proposed budget assumes the reduced fare subsidy cut will continue next year, resulting in reimbursement of $14.6 million for 2021, a 48.4 percent reduction in the historic funding for this program. The 2-Year Financial Plan assumes the subsidy will continue to be appropriated at the reduced level of $14.6 million in 2023 and 2024.

Advertising, charters, and concessions revenues include advertisements on buses, trains and stations, income from concessions, and other non-farebox revenue. The COVID-19 pandemic has substantially reduced demand for digital and billboard advertising throughout the bus and rail system. As ridership continues to return through 2021, advertising demand is projected to increase as well, and the CTA will work with its advertising partners to increase revenue through expanded digital advertising opportunities.

Advertising, charters, and concessions revenues for 2021 are forecasted to be slightly over $16.9 million, which is $7.5 million below the 2021 budget. The 2022 budget is $26.7 million, which is $2.2 million higher than the 2021 budget and $9.8 million higher than the 2021 forecast due a recovery in advertising and concessions revenues that were severely impacted by lower ridership during the COVID-19 pandemic. For the Two-Year Financial Plan, revenue from advertising, charters, and concessions is expected to grow by $2.9 million in 2023 to $29.6 million and by $0.8 million to $30.4 million in 2024, respectively.

Investment income is revenue generated from interest on cash balances held at financial institutions. Low interest rates mean CTA's conservative cash investments will yield less income, while higher interest rates will yield more income.

Interest income for 2021 is forecasted to be $0.3 million, which is $0.7 million lower than budget due to lower interest rates. For 2022 investment income is budgeted at $0.5 million, which is $0.5 million lower than the 2021 budget and $0.2 million higher than 2021 forecast. For the Two-Year Financial Plan, investment income is projected to grow modestly, generating $1.0 million in 2023 and $1.3 million in 2024, respectively.

Statutory Required Contributions as required by the Regional Transportation Authority Act requires the City of Chicago to contribute $3.0 million and Cook County to contribute $2.0 million annually toward CTA operations and are forecasted to remain unchanged for each year within this Consolidated Financial Overview.

Other Revenue includes, non-capital grants, park and ride revenue, rental revenue, third-party contractor reimbursements, and filming fees, among other revenue sources.

For 2021, other revenue is forecasted to be $36.0 million or $8.9 million lower than the 2021 budget due to the City of Chicago eliminating the ride-hailing fee revenue to CTA indefinitely, lower parking, rental, and miscellaneous revenue offset by an increase in non-capital grant revenue. For 2022, other revenue is budgeted at $28.1 million, or $7.8 million lower than the 2021 forecast. For the 2-Year Financial Plan, other revenue is expected to grow by $2.5 million in 2023 to $30.7 million and by $2.5 million to $33.1 million in 2024 due to efforts to increase non-farebox revenues. The plan projects increased miscellaneous revenues, slight growth in rental properties and park-and-ride revenues, fees from filming, non-capital grants from the federal government and other sources.

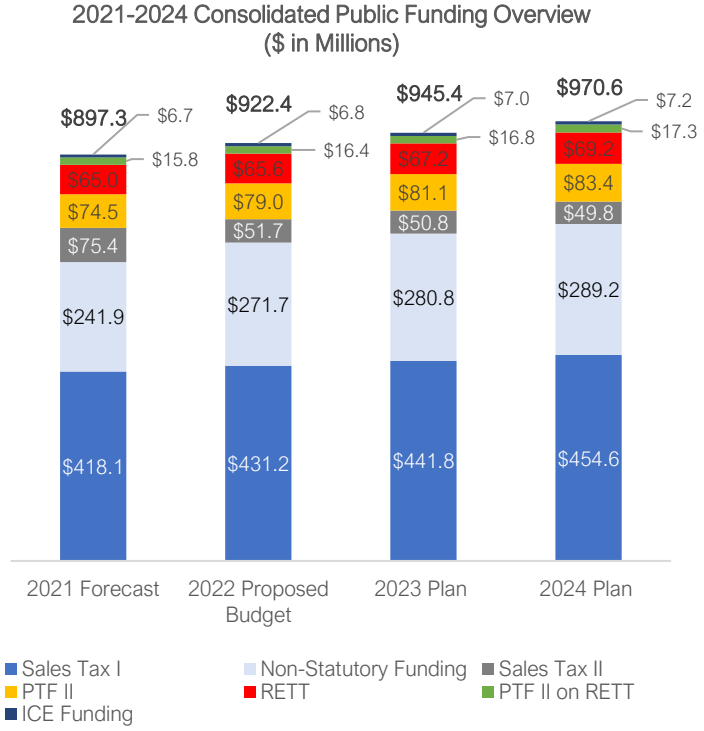
Public Funding

Budgeted public funding available for CTA operations is established by the RTA and is based on the RTA's revenue projection for the year and the approved funding marks of the RTA Board. Public funding has three sources authorized under state statutes passed in 1983 and 2008: sales tax revenue, public transportation funds (PTF), and the real estate transfer tax (RETT). The Public Funding estimates include the 1.5 percent surcharge the State withholds on Sales Tax revenues and restores the 5 percent cut to PTF as part of the SFY 2022 budget. A diagram of public funding received by RTA and the way in which it is allocated among the three Service Boards is included in the Operating Funding Summary.

For 2021, the RTA is forecasting public funding to be $897.3 million, which is $225.8 million or 33.6 percent higher than the 2021 budget and $157.4 million higher than 2020 actuals driven by higher than projected sales tax, including collections for online sales, RETT receipts and the elimination of the 5 percent PTF cut.

For 2022, public funding is projected by the RTA to be $922.4 million which is $25.0 million, or 2.8 percent higher than the 2021 forecast and $182.4 million or 24.7 percent higher than 2020 actuals.

For the Two-Year Financial Plan, the RTA public funding marks for CTA are projected to increase by 2.5 percent in 2023 and 2.7 percent in 2024 with the assumption that regional sales tax receipts will increase by 2 percent each year and RETT receipts increase by 3 percent each year as the local economy continues to recover from the COVID-19 pandemic.



Federal Stimulus Funding

The CTA has received emergency federal financial assistance during the COVID-19 pandemic for eligible operating expenses to prevent, prepare for, and respond to COVID-19 as well as maintaining essential transit services from three separate pieces of legislation during 2020-2021:

1. On March 27, 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law, providing $25 billion in assistance to public transit agencies across the country, of which the CTA was allocated $817.5 million.

2. On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act was signed into law, providing $14 billion in assistance to public transit agencies across the country, of which the CTA was allocated $361.3 million.

3. On March 11, 2021, the American Rescue Plan (ARP) Act was signed into law, providing $30.5 billion in assistance to public transit agencies across the country. The Illinois/Indiana region received $1.5 billion. The RTA has not yet allocated the funds to the Service Boards.

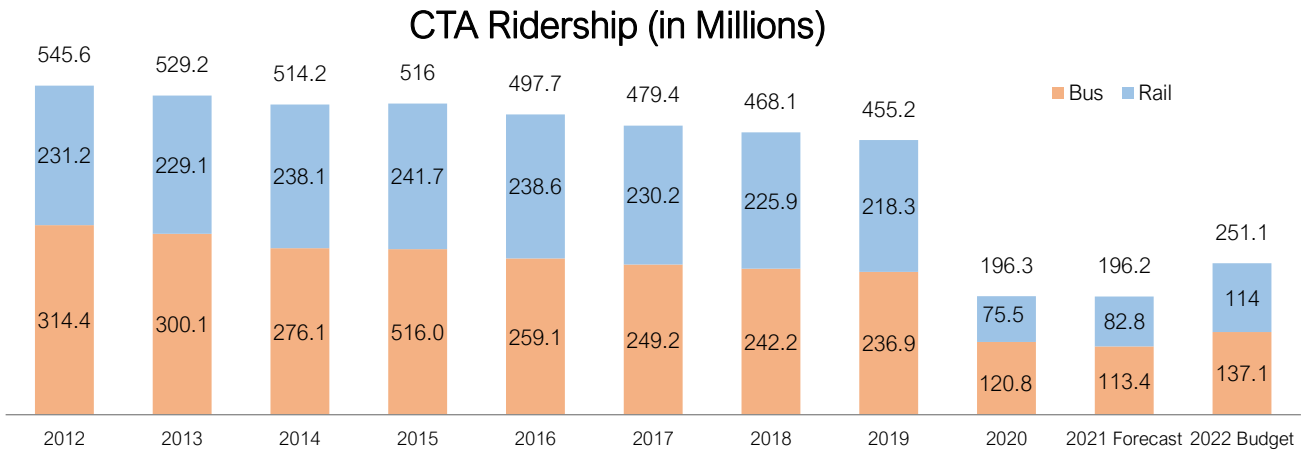
The CTA has used federal funding from these sources to help offset the decline in revenues and to continue funding operating expenses.

Ridership

Transit ridership locally and nationally has been severely impacted by the COVID-19 health pandemic. While people are beginning to return to the office and the economy is opening, this "new normal' is very different from the pre-pandemic environment. Ridership has changed significantly in terms of who commutes, when they commute and how they commute. Fewer riders travel to the central business district, the timeframe for peak travel has shifted, and the frequency of travel has changed. In addition, lower gas prices and greater use of mobility options that provide more social distancing has amplified the reduction in transit ridership.

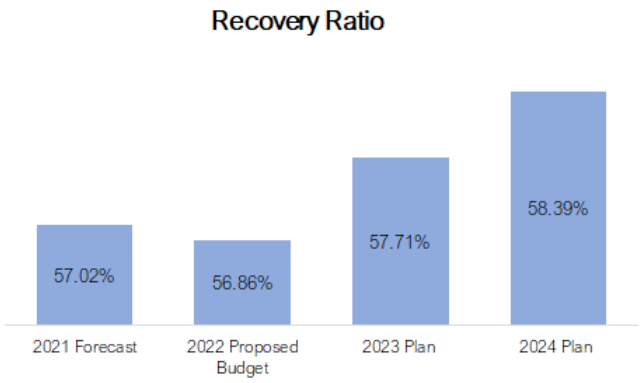
For 2022, the CTA expects that system ridership will increase by 54.9 million rides to 251.1 million rides in comparison to the 2021 forecast of 196.2 million rides. Bus ridership is expected to increase by 22.7 million rides to 137.1 million rides in 2022, while rail ridership is expected to increase by 31.2 million rides to 114 million rides. The projected increase is impacted by the simplified fare structure as well as the continued return to a new normal in 2022. If local economic recovery efforts are halted or reversed, ridership could be negatively impacted. Prior to the COVID-19 health pandemic, CTA system ridership was at a 20-year high in 2012, and rail ridership had reached its highest point in at least 50 years in 2015. However, bus and rail ridership have decreased since then and CTA ridership was down again in 2019, falling 2.4 percent compared to 2018.

Ridership levels in cities across the country are experiencing similar trends. Overall, mass transit in the United States was down 1 percent in 2019 from 2018 levels. The national ridership total is at its lowest level since 2006, according to the American Public Transportation Association.



Recovery Ratio

The recovery ratio measures the percentage of expenses a Service Board must pay against the revenue that it generates. System-generated revenues, operating expenses, and certain statutory exclusions are used in the calculation. The RTA Act requires the region to fund 50 percent of its expenses through revenues generated by the three Service Boards: CTA, Metra, and Pace. The estimated recovery ratio for the CTA in 2021, 2022, 2023 and 2024 is expected to be 57.02 percent, 56.86 percent, 57.71 percent and 58.39 percent respectively, exceeding the requirement of 54.75 percent.



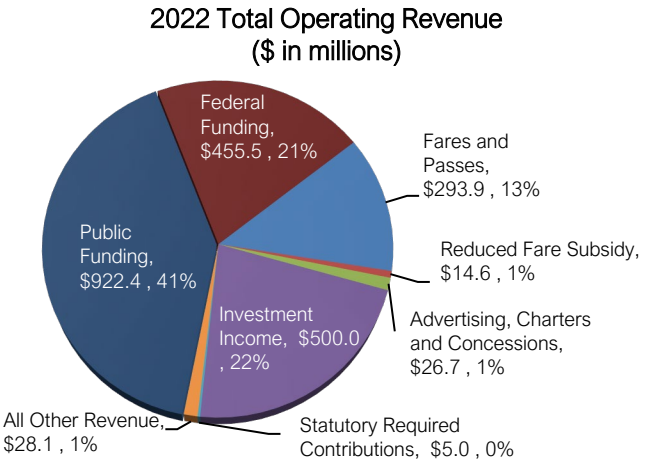
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Operating Funding Summary

Operating revenue budgeted in 2022 is derived from three primary sources: system generated revenue through fares and other sources; public funding, through the Regional Transportation Authority (RTA); and federal funding through the Federal Transit Administration (FTA). Total budgeted revenue for 2022 is projected to be $1,746.8 million, with system-generated revenue of $368.9 million, public funding of $922.3 million, and federal funding of $455.5 million.

System-Generated Revenues



System-generated revenue is collected from fare and pass sales, subsidies for free and reduced fare riders, advertising, investment income, statutory required contribution from local governments by provision of the RTA Act, and other revenues. For 2022, system-generated revenue is budgeted at $368.9 million which is $44.4 million or 13.7 percent higher than the 2021 budget and $55.7 million or 17.8% higher than 2021 forecast. The year over year projected increase in total system-generated revenue is attributed to the local economy reopening from COVID-19 restrictions that sharply curtailed economic activity and ridership since March 2020.

Fares and Passes

The largest portion of system-generated revenue is fare and passes revenue which includes cash fares, full and reduced fare cards, 30-day full fare and reduced fare passes, along with one-, three- and seven-day passes, single ride tickets, CTA's U-Pass Program, bulk pass sales, and METRA Link-Up program.

	Current Structure (eff.1/7/18)	Proposed Structure (eff.11/21/2021)
CTA Regular Fare Types		
Full Fare Bus [1]	$2.25	unchanged
Full Fare Rail [1]	$2.50	unchanged
Full Fare Cash (Bus only; no transfers)	$2.50	unchanged
PAYG [2]	$2.50	$2.25 bus/$2.50 rail
Transfer	$0.25	$0.00
Single Ride Ticket [3]	$3.00	unchanged
CTA 1-Day/24-Hour Pass	$10	$5
CTA 3-Day/72-Hour Pass	$20	$15
CTA 7-Day Pass	$28	$20
CTA/Pace 7-Day Pass [4]	$33	$25
CTA/Pace 30-Day Pass	$105	$75
Metra Link-Up [5]	$55	$30 (early 2022)
O'Hare Station Fare [6]	$5.00	unchanged
Reduced Fare Types [7]		
Reduced Fare Bus	$1.10	unchanged
Reduced Fare Rail	$1.25	unchanged
Reduced Fare Cash (Bus Only; no transfers)	$1.25	unchanged
Transfer	$0.15	$0.00
CTA/Pace 30-Day Reduced Pass	$50	$35
O'Hare Station Fare	$1.25	unchanged
Student Fare		
Bus & Rail Student Permit Fare	$0.75	unchanged
Transfer	$0.15	$0.00
Student Fare Cash (Bus Only)	$0.75	unchanged
#128 Soldier Field Express		
All Roundtrips	$5.00	unchanged
	$2.50 reduced fare	unchanged

Fare and pass revenue for 2022 is budgeted at $293.9 million which is $53.6 million higher than the 2021 forecast due to higher projected ridership as the local economy reopens from COVID-19 restrictions and vaccination rates continue to increase.

The President's 2022 proposed budget preserves overall service levels. CTA will continue to focus on providing bus and rail service that is critical to Chicago's recovery from the pandemic. The President's 2022 proposed budget recommends a major realignment of fares to align the fare structure more closely with the changing ridership patterns since the COVID-19 pandemic. This proposal will reverse two decades of price increases on the unlimited CTA passes, as well as make other customer-friendly enhancements to the fare structure.

CTA base fares ($2.25 for bus and $2.50 for rail) will remain the same. The first transfer fee of $0.25 on full fare Ventra card and PAYG as well as the $0.15 transfer fee on reduced and student fares will be made free, making it easier for riders who need to transfer between CTA services.

CTA began a summer promotion on pass prices on May 28, 2021, lowering the price of 1-, 3-, and 7-Day passes significantly as the City of Chicago and State of Illinois began re-opening from the public health restrictions. In response to positive feedback from our customers and 10 million rides taken over the summer on the promotional passes, CTA extended the promotion to the end of November. As part of this budget proposal, CTA will seamlessly transition the pass prices long-term to the promotional rates. Therefore, the proposal includes CTA 1-Day Pass at $5 (lowered from $10), CTA 3-Day Pass at $15 (lowered from $20), and CTA 7-Day Pass at $20 (lowered from $28). CTA/Pace 7-Day Pass price will be $25 (lowered from $33).

Moreover, the 2022 proposal includes lowering the 30-Day Full Fare Pass price to $75 (from $105) and the 30-Day Reduced Fare Pass price to $35 (from $50) in response to the changing hybrid and remote work habits of the pass users. If approved, all above changes will take effect on November 21, 2021, to provide a seamless customer experience to the new fare structure.

This major fare structure overhaul demonstrates CTA's and Mayor Lightfoot's commitment to transit affordability and equity, especially for our bus riders, as we recover from the devastating impacts of the COVID-19 pandemic. More than a quarter of Chicago households do not own a car and the equity impact of transit service and fares is seen more strongly on Chicago's historically underinvested South and West side neighborhoods. This budget will ensure that CTA remains the most affordable travel option in Chicago.

All proposed fare changes are shown in the following table:

Notes to the Fare Table:

[1] Fares paid with Ventra Transit Account Value

[2] PAYG - Pay as you go fare for bus and rail except at O'Hare Blue Line Station using personal bank card or phone

[3] Single Ride Ticket fare includes transfer for bus and rail.

[4] The price of the pass reflects a $5 Pace shared pass surcharge on the CTA 7-Day Pass price

[5] Proposal would lower the price and change business rules to allow riding in peak as well as off-peak hours in early 2022 pending approval from all service boards

[6] O'Hare Employees pay the regular rail base fare at O'Hare Blue Line Station

[7] CTA offers reduced fares via RTA Reduced Fare Permits to Seniors as required by 49 CFR Part 609 and free rides to eligible Seniors as required by 70 ILCS 3605/51(b). Similarly, CTA offers reduced fare to Persons with Disabilities as required by 49 CFR Part 609 and free rides to eligible Persons with Disabilities as required by 70 ILCS 3605/52. In additional, CTA also offers reduced fares to children age 7-11.

Reduced Fare Subsidy

This funding represents the reimbursement of revenues foregone by the Service Boards due to providing reduced and free fares to senior citizens and riders with disabilities, as mandated by federal and state law. The funding is subject to the terms of the grant agreement, state statute, and annual state appropriation, and is allocated to the Service Boards based on qualifying passenger trips taken during the grant year. It is assumed that the $14.6 million subsidy will continue in 2022, which is about half the historical level.

Advertising, Charters and Concessions

Advertising, charters, and concessions revenue for 2022 is budgeted to be $30.4 million. This revenue is generated through advertisement on buses, rail cars and in rail stations. This projection also includes revenue from concessions within rail stations and revenue from Special Contract Guarantees, which are agreements for transportation services for the University of Chicago and other employers and schools.

Investment Income

Investment income for 2022 is projected to be $0.5 million. The Federal Open Market Committee (FOMC) projects the federal funds rate will be 0-0.10% and will maintain this target until it is confident that the economy has weathered recent events and is on track to achieve its maximum-employment and price-stability goals. The FOMC continues to monitor the implications of incoming information for the economic outlook, including to public health, as well as global developments and inflation pressures, and will act as needed to support the US economy.

	Investment Income (in Millions)	Fed Funds Rate (at year end)
2018	$3.50	2.40%
2019	$2.50	1.75-2.00%
2020	$3.00	0.10%
2021 Forecast	$0.29	0.10%
2022 Budget	$0.50	0.10%

Statutory Required Contributions

The RTA Act requires the City of Chicago and Cook County to annually contribute $3 million and $2 million, respectively, towards CTA operations.

All Other Revenue

All Other Revenue is projected to be $28.1 million in 2022. Revenues in this category include safety and security grants, parking fees, rental revenue, third-party contractor reimbursements and filming fees. Parking revenues include Park & Ride Facilities, under 'L' parking rentals and long-term parking agreements.

Public Funding

Most of the CTA's public funding for operating and capital needs is passed through the RTA. Under the RTA Act, as amended in 2008, some of the funds are allocated to the Service Boards based on a set formula; other funds are allocated based on the RTA's discretion with sources and allocations outlined below.

Sales Tax Revenue per 1983 Formula

RTA Sales Tax is the primary source of operating revenue for the RTA and the three Service Boards. The tax is authorized by Illinois statute, imposed in the six-county RTA region of northeastern Illinois, and collected by the state. The sales tax includes a one percent on sales in both the City of Chicago and Cook County, along with 0.25 percent on sales in the collar counties of DuPage, Kane, Lake, McHenry and Will. The one percent sales tax in Cook County is comprised of one percent on food and drugs and 0.75 percent from all other sales, with the state then providing a "replacement" amount to the RTA equivalent to 0.25 percent of all other sales. Proceeds from the RTA Sales Tax are distributed to the CTA, Metra, and Pace, primarily to fund operating costs not recovered through the farebox. The RTA retains 15 percent of the total sales tax and passes the remaining 85 percent to the Service Boards according to the Operating Funding Allocation Chart found later in this section. The SFY 2022 budget passed in June 2021 continues the 1.5 percent surcharge levied on sales tax receipts.

RTA Sales Tax Revenue

	Chicago Sales	Suburban Cook	Collar Counties
CTA	100%	30%	0%
Metra	0%	55%	70%
Pace	0%	15%	30%
Total:	**100%**	**100%**	**100%**

Sales Tax I – FY22 Sales Tax Revenue ($in thousands)

	Chicago	Suburban Cook County	Collar Counties	Total
CTA	$298,228	$ 133,015	$ -	$ 431,244
Metra	$ -	$ 243,861	$ 96,682	$ 340,543
Pace	$ -	$ 66,508	$ 41,435	$ 107,943
RTA	$ 52,629	$ 78,244	$ 24,374	$ 155,246
Total:	**$350,857**	**$ 521,628**	**$ 162,491**	**$ 1,034,976**

Totals may not add up due to rounding.

Public Transportation Fund

As authorized by the RTA Act, the Illinois State Treasurer transfers from the State General Revenue Fund or Road Fund, as applicable, an amount equal to 25 percent of the RTA sales tax collections (or gasoline or parking taxes, if imposed by the RTA). The treasurer transfers this amount to a special fund, the Public Transportation Fund (PTF), and then remits it to the RTA monthly. This fund is a continuing appropriation to the RTA. The State began cutting PTF funds by 10% in SFY 2018 and reduced the cut to 5% in SFY 2019 and through SFY 2021. In SFY 2022, the state fully restored PTF. The RTA uses these funds at its discretion to fund the needs of the Service Boards, RTA operations, debt service and capital investment.

State Assistance

The RTA Act provides supplemental state funding in the forms of additional state assistance and additional financial assistance (collectively, "State Assistance") to the RTA in connection with its issuance of Strategic Capital Improvement Program (SCIP) bonds. The funding equals debt service amounts paid to bondholders of the SCIP bonds issued by the RTA, plus any debt service savings from the issuance of refunding or advanced refunding SCIP bonds, less the amount of interest earned by the RTA on the proceeds of SCIP bonds. The RTA Act limits the amount of State Assistance available to the RTA to the lesser of the debt service or $55 million. Remittance requires an annual appropriation made by the State of Illinois.

2008 Legislation

The 2008 state funding package increased the percentage of state sales tax dedicated to mass transit and gave authority to the City of Chicago to increase the Real Estate Transfer Tax (RETT) to support the CTA. In addition, the legislation also included pension reforms that will increase the funded ratio of the CTA's pension to 90 percent by 2059.

Innovation, Coordination, and Enhancement (ICE) Program

The ICE program is an RTA funded program established as part of the 2008 Mass Transit Reform Legislation and provides operating and capital assistance to enhance the coordination and integration of public transportation and to develop and implement innovations to improve the quality and delivery of public transportation. Projects funded through this program advance the vision and goals of the RTA Act by providing reliable and convenient transit services and enhancing efficiencies through effective management, innovation, and technology. CTA plans to utilize all ICE funds in 2022 toward operating costs.

2022 ICE & ADA Funding ($ in thousands)

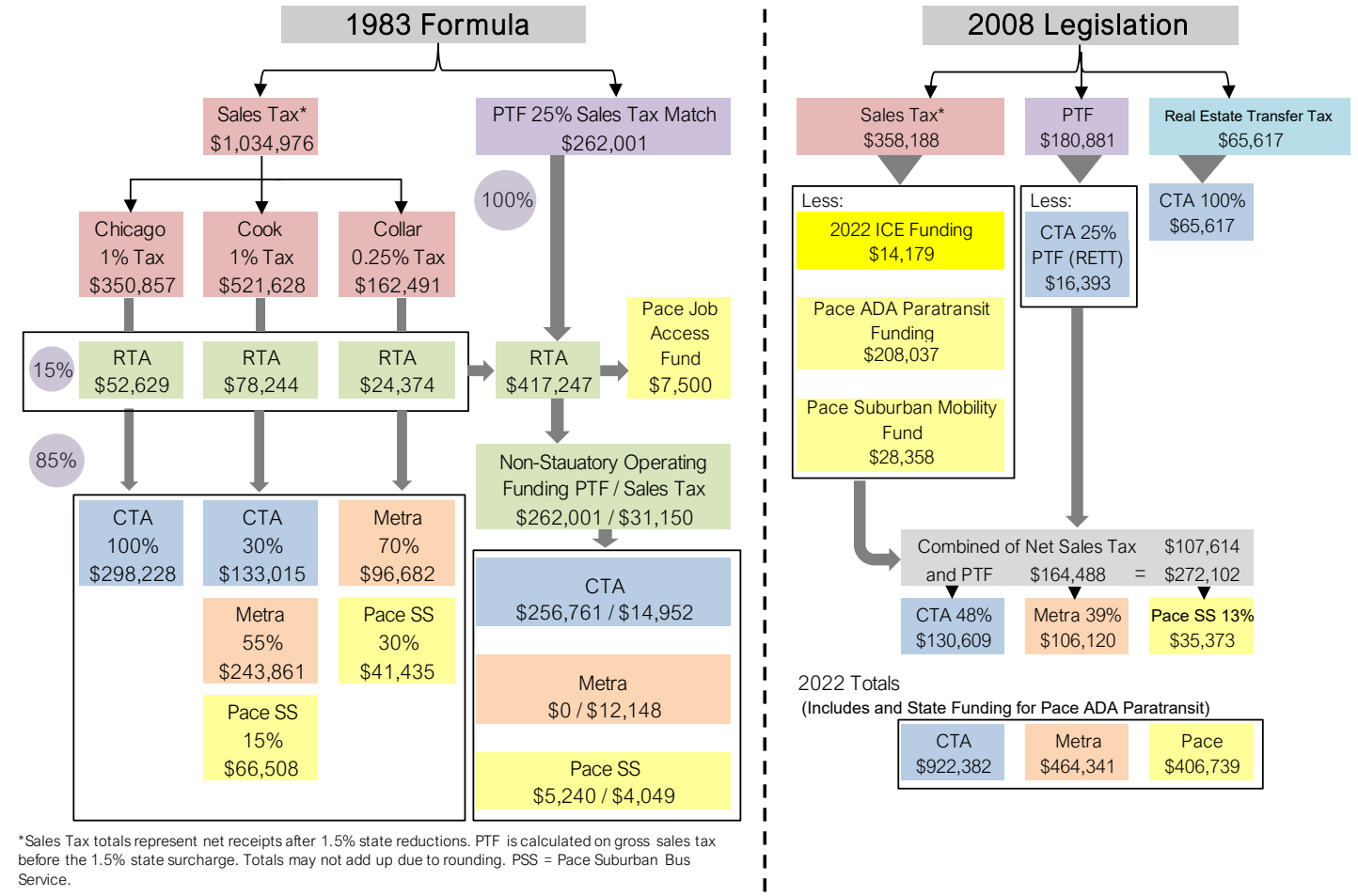
	CTA	Metra	Pace	ADA	Total
ICE:	$ 6,806	$ 5,530	$ 1,843	$ -	$14,179
State ADA	$ -	$ -	$-	$ 8,395	$ 8,395
Total	**$6,806**	**$ 5,530**	**$ 1,843**	**$ 8,395**	**$22,574**

2022 Operating Funding Allocation Charts ($ in thousands)

2022 Service Board Funding	RTA	CTA	Metra	Pace -Mainline	Pace - Paratransit	Total
Sales Tax I & PTF I	$417,247	$431,244	$340,543	$107,943	$0	$1,296,977
Sales Tax II & PTF II	$0	$130,609	$106,120	$35,373	$208,037	$480,139
RTA Non-Statutory	-$293,151	$271,713	$12,148	$9,290	$0	$0
Real Estate Transfer Tax (25% PTF)	$0	$16,393	$0	$0	$0	$16,393
RTA Suburban Community Mobility Funds	$0	$0	$0	$28,358	$0	$28,358
RTA South Suburban Job Access Fund	-$7,500	$0	$0	$7,500	$0	$0
Joint Self-Insurance Fund Reserve	$0	$0	$0	$0	$0	$0
State Funding for ADA	$0	$0	$0	$0	$8,395	$8,395
RTA Agency Revenue	$8,373	$0	$0	$0	$0	$8,373
State Financial Assistance (ASA/AFA)	$130,300	$0	$0	$0	$0	$130,300
Total RTA Funds	**$255,269**	**$849,959**	**$458,811**	**$188,464**	**$216,432**	**$1,968,935**
Real Estate Transfer Tax (City of Chicago)	$0	$65,617	$0	$0	$0	$65,617
Total Funds	**$255,269**	**$915,576**	**$458,811**	**$188,464**	**$216,432**	**$2,034,552**
ICE Funding/State ADA funding	$0	$6,806	$5,530	$1,843	$0	$14,179
State Reduced Fare Reimbursement	$0	$14,606	$1,618	1,346	$0	$17,570
Total Regional Public Funds	**$255,269**	**$936,988**	**$465,959**	**$191,653**	**$216,432**	**$2,066,301**

**State Reduced Fare Reimbursement is included in the table but is counted as system-generated revenue and excluded from public funding totals. Totals may not add due to rounding.*

2022 Operating Funding Allocation Charts ($ in thousands)



*Sales Tax totals represent net receipts after 1.5% state reductions. PTF is calculated on gross sales tax before the 1.5% state surcharge. Totals may not add up due to rounding. PSS = Pace Suburban Bus Service.

FY21 Funding by Service Board			
CTA	$	922,382	45.0%
Metra	$	464,341	22.7%
Pace - Mainline	$	190,307	9.3%
Pace - Paratransit	$	216,432	10.6%
RTA	$	255,269	12.5%
Total	**$**	**2,048,731**	**100.0%**

Totals may not add up due to rounding.

Federal Assistance (Federal Transit Administration)

The CTA, Metra, Pace, and the RTA are the region's designated recipients of federal operating and capital financial assistance. While the FTA eliminated recurring operating assistance in 1998, emergency financial assistance has been provided during the COVID-19 pandemic for eligible operating and capital expenses to prevent, prepare for, and respond to COVID-19 as well as maintaining essential transit services across three separate pieces of legislation during 2020-2021:

1. On March 27, 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law, providing $25 billion in assistance to public transit agencies across the country, of which the CTA was allocated $817.5 million.
2. On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act was signed into law, providing $14 billion in assistance to public transit agencies, of which the CTA was allocated $361.3 million.
3. On March 11, 2021, the American Rescue Plan (ARP) Act was signed into law, providing $30.5 billion in assistance to public transit agencies across the country. The Northwest Indiana, Northeast Illinois and Southeast Wisconsin region received an allocation of $1.5 billion. The RTA has not yet allocated the funds to CTA, Metra and Pace, but will be needed in 2022-2024.

The CTA has used federal funding from these sources to help offset the decline in system-generated revenue and public funding in 2020-2021 due to the pandemic and will continue to do so for 2022.

Fund Balance - Unrestricted Net Position

The CTA is required under Section 4.01 of the RTA Act to submit for approval an annual budget to the RTA by November 15th of each year. The budget must balance regarding anticipated revenues from all sources, including operating subsidies, costs of providing services, and funding operating deficits. In addition to a structurally balanced budget, as part of the annual budget and recommended by the Government Finance Officers Association (GFOA), unrestricted net position is reported in this book.

Unrestricted net position is reported in compliance with generally accepted accounting principles (GAAP) and represents the portion of net position that is neither restricted nor invested in capital assets net of related debt. The unrestricted net position represents the long-term accumulation of non-cash transactions which are excluded from the annual budget. These amounts include, but are not limited to, provision for injuries and damages more than (or under) budget, depreciation expense, pension expense more than pension contributions, actuarial adjustments, interest expense, and capital contributions. The unrestricted net position is an accounting concept and is separate from annual budgeted revenues and expenses.

2018–2024 Fund Balance: Unrestricted Net Position ($ in Thousands)

	2018 Actual	2019 Actual	2020 Actual	2021 Forecast	2022 Budget	2023 Plan	2024 Plan
Total Operating Expenses	$1,498,210	$1,515,388	$1,537,826	$1,606,173	$1,746,797	$1,828,399	$1,911,372
Total System Generated Revenue	$697,333	$697,177	$314,063	$313,159	$368,910	$404,654	$437,424
Funding Requirement	$800,877	$615,718	$1,223,763	$1,293,014	$1,377,887	$1,424,745	$970,642
Public Funding	$809,352	$818,211	$856,875	$897,334	$922,382	$945,414	$970,642
CARES Act Funding	$0	$0	$366,888	$333,658	$0	$0	$0
CRRSA Funding	$0	$0	$0	$62,022	$299,281	$0	$0
Budget Balancing Actions	$0	$0	$0	$0	$156,224	$478,331	$503,306
Net Operating Results (PBV)	**$8,475**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Fund Balance - unrestricted net position:							
Beginning Balance	-$3,245,337	-$3,354,874	-$3,332,476	-$3,354,863	-$3,357,828	-$3,360,793	-$3,362,691
Net operating results (PBV)	$8,475	$0	$0	$0	$0	$0	$0
Less other obligations	-$105,381	$32,167	$0	$0	$0	$0	$0
Less capital expended from net position (PBV)	-$12,631	-$9,769	-$22,387	-$2,965	-$2,965	-$1,898	$0
Ending Balance	**-$3,354,874**	**-$3,332,476**	**-$3,354,863**	**-$3,357,828**	**-$3,360,793**	**-$3,362,691**	**$0**

Performance Management (PM) is the CTA's centralized reporting and performance tracking department. PM compiles and connects data from disparate data sources to create visualized analyses and data tracking capabilities, relying on data automation processes. The information is then disseminated throughout the organization using data visualization and dash-boarding tools. The processes have been upgraded over the past few years to enable the CTA to utilize state-of-the-art technology to improve and streamline operational processes all of which are designed to increase system efficiency, enhance the customer experience, foster employee accountability, and inform the targeting of resources and public campaigns.

PM has created outcome-oriented measures, along with accompanying targets, to monitor performance. Each department is responsible for focusing its resources on meeting these targets and adhering to the following strategic goals: Safety, Customer Experience and Workforce Development. The figure below details the five criteria PM uses to meet those goals:



PM continuously develops and monitors a range of metrics and targets with each department to improve operations and efficiency. A scorecard of monthly performance measures is published on a regular basis at transitchicago.com/performance. A selection of key representative metrics for major operational departments is provided here, with the COVID-19 period shaded or otherwise indicated.

Bus Operations

Big Gap Intervals

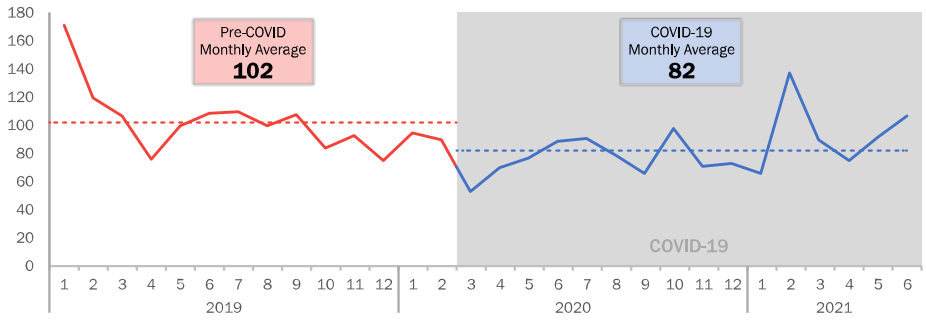
Bus Operations continually monitors the reliability of service with a variety of measures, including big gaps. A big gap is defined as a bus interval (time between two buses at a bus stop) that is double the scheduled interval and greater than 15 minutes.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	3.3%	3.4%	n/a	n/a	3.9%	4.3%	4.1%	4.3%	4.5%	4.2%	4.1%	4.2%
2020	n/a	n/a	5.3%	10.2%	10.4%	11.5%	7.3%	7.7%	6.2%	6.0%	7.0%	6.8%
2021	6.8%	8.7%	7.3%	8.7%	9.9%	9.0%						

Rail Operations

Rail Delays of 10 Minutes or More

Rail Operations tracks several metrics to ensure the service experienced by customers is reliable. One important measure to monitor is the number of major rail delays assigned (≥ 10 minutes), which can significantly disrupt system operations and rider experience. These are delays which are caused by CTA personnel actions and activities, equipment failures and track, power and signal issues. Thus, assigned rail delays are those for which the CTA bears culpability.

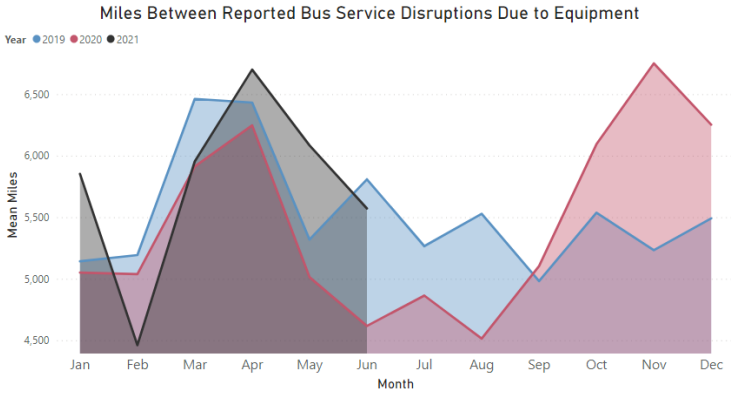


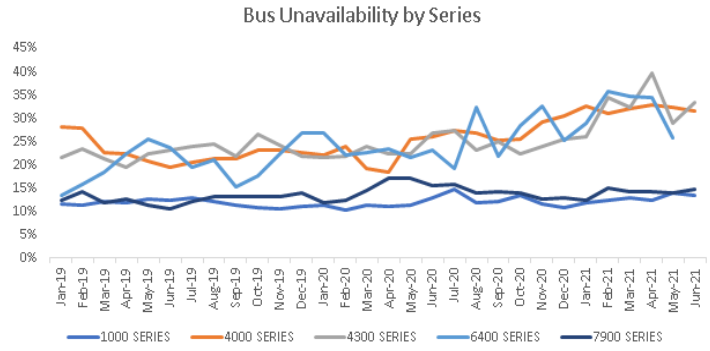
Bus Maintenance

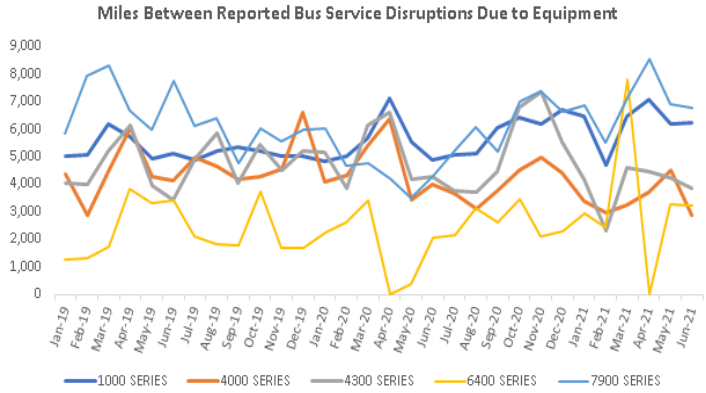
Miles between Service Bus Disruptions Due to Equipment

Bus Maintenance is responsible for the maintenance of the CTA bus fleet, including both mechanical maintenance and regular cleaning of bus interiors and exteriors. Tracking the mean distance between defects is an essential monitoring mechanism for bus maintenance performance, while cleaning performance is tracked for adherence to schedule and quality standards.

Because the age of a vehicle impacts its performance, the CTA bus fleet is broken down into several "series" of buses purchased between 2000 and 2019. The first graph below shows system-wide performance, while the second graph contains data by series. Note that in February 2021, Chicago exceeded its typical February snowfall by more than a foot and included a winter storm with more than 18 inches of snow in some locations which impacted vehicle performance.







Vehicle Unavailability and Age of Fleet

Age is a key component in the number of resources needed to keep a vehicle in service. As the fleet ages, the number of defects rise, causing units to be held out of service. Quarter, Mid-, and 3/4 life overhauls are necessary to ensure the full useful life of a vehicle, but funding may impact the level of those overhauls.

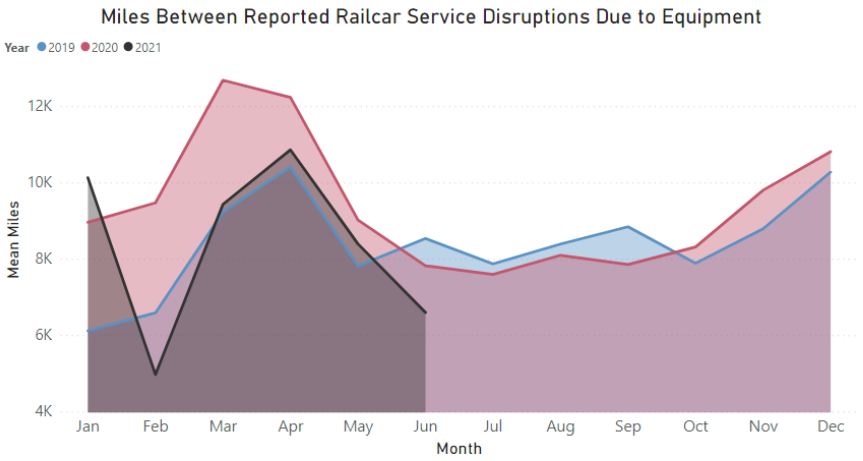
Age of Bus Sub fleets by Series		
Series	# Of Buses	Age
6400 ('00)	219	19.6
1000 ('06)	1,030	13.8
4000* ('08)	208	12.3
4300* ('12)	100	8.3
7900 ('15)	450	5.7

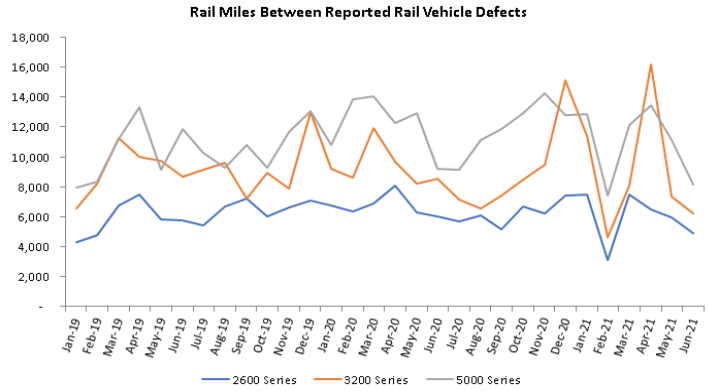
Series listed with first purchasing year in parentheses. Average ages in years through June 2021. 60' buses are denoted with an asterisk (*), all other Series are 40'

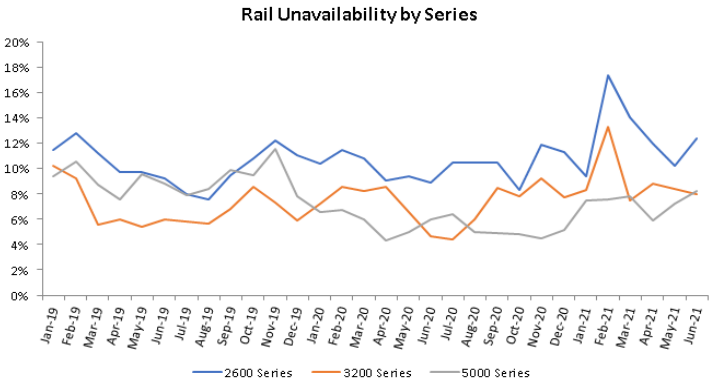
Rail Maintenance

Mean Miles between Railcar Reported Rail Vehicle Defects

Rail Maintenance is responsible for the maintenance of the CTA rail fleet, including both mechanical maintenance and regular cleaning of rail interiors and exteriors. Tracking the mean distance between defects is an essential monitoring mechanism for rail maintenance performance, while cleaning performance is tracked for adherence to schedule and quality standards. The age of a vehicle impacts its performance. The CTA rail fleet is comprised of 3 "series" of railcars purchased between 1982 and 2015. Performance of the various sub-fleets is broken out below. Note that in February 2021, Chicago exceeded its typical February snowfall by more than a foot and included a winter storm with more than 18 inches of snow in some locations which impacted vehicle performance.







Vehicle Unavailability and Age of Fleet

Again, age is a key component in the number of resources needed to keep a vehicle in service. As the fleet ages, the number of defects rise, causing units to be held out of service. Quarter, Mid-, and 3/4 life overhauls are necessary to ensure the full useful life of a vehicle, but funding may impact the level of those overhauls

Each rail terminal has a different distribution of series in its fleet so Vehicle Unavailability is tracked for each series to ensure that peak level of service can be met.

Railcar Fleet Age by Series		
Series	#Of Cars	Age
2600 (1981)	502	36.7
3200 (1992)	257	28.3
5000 (2009)	714	7.7
Series listed with 1st purchasing year in parentheses. Average ages in years through 6/2021.		

Power & Way

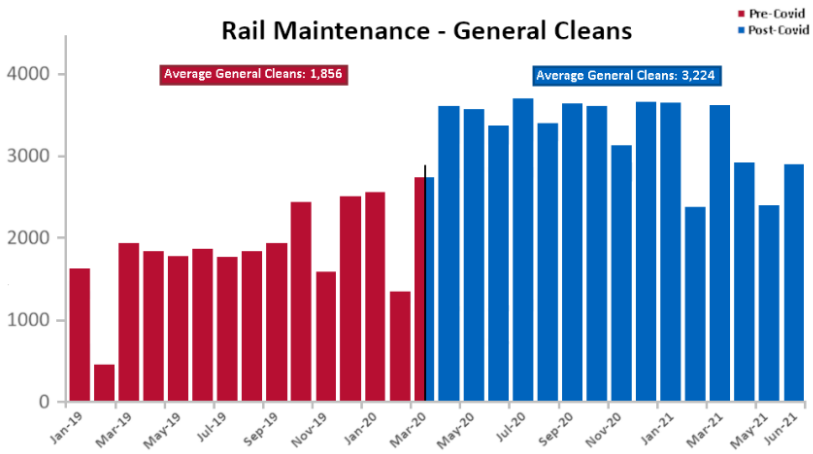
Slow Zone Mileage

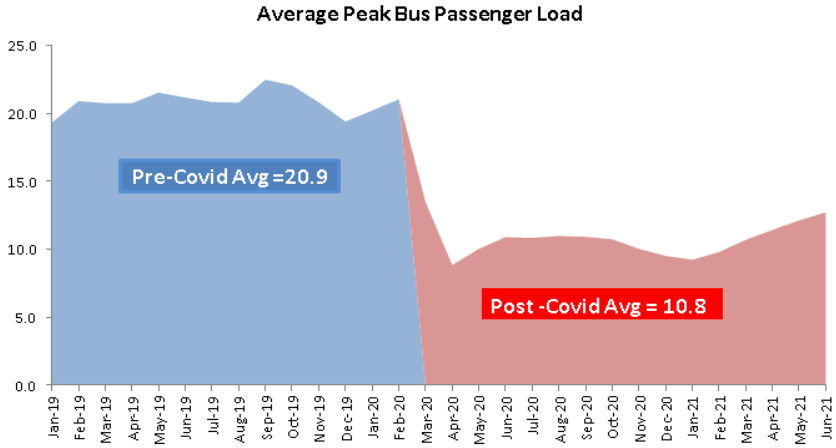
Power & Way Maintenance is responsible for inspecting and maintaining CTA's rail infrastructure, including track, structures, signal, and power systems. The percentage of the rail system under "slow zones" is a broad health metric of how much of the system is operating with performance restrictions to maintain safe and reliable operations.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	10.8%	11.8%	11.7%	12.1%	12.3%	12.1%	14.2%	13.0%	12.6%	12.9%	13.0%	13.1%
2020	13.1%	13.3%	12.9%	12.6%	12.8%	12.8%	11.7%	12.0%	12.4%	11.9%	11.9%	12.7%
2021	12.1%	11.9%	12.4%	13.0%	14.3%	14.8%						

Additional Metrics

During the pandemic, the CTA has been and remains acutely focused on keeping its trains, buses, and stations clean and sanitized. Vehicles and stations are cleaned every day, multiple times a day, with an emphasis on high-touch surfaces. The CTA has tripled its workforce resources dedicated to cleaning vehicles and doubled the cleaning frequency of its stations. The number of General Cleans (a full cleaning of the entire vehicle) is shown below.





Bus Crowding (Average Peak Bus Passenger Load)

Throughout the pandemic, the CTA maintained the highest level of service to minimize crowding and allow riders to spread out on buses, trains, and station platforms. If a bus became too crowded, it ran "express" and dropped off customers only. Buses have been added on select routes to avoid crowding, and longer buses (higher capacity) have been substituted where possible. To that end, PM has tracked the peak load of buses each day to ensure customer and employee safety.

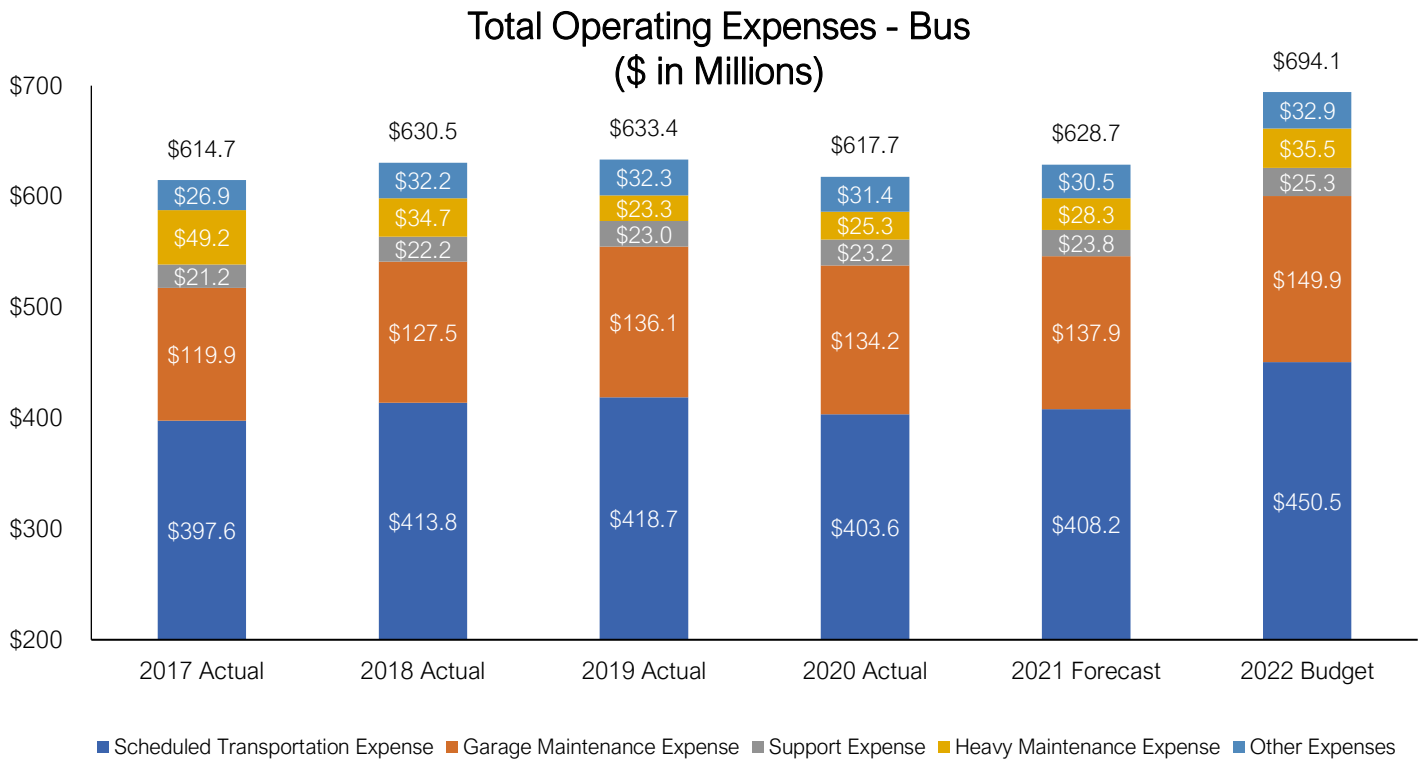
Federal Mask Mandate

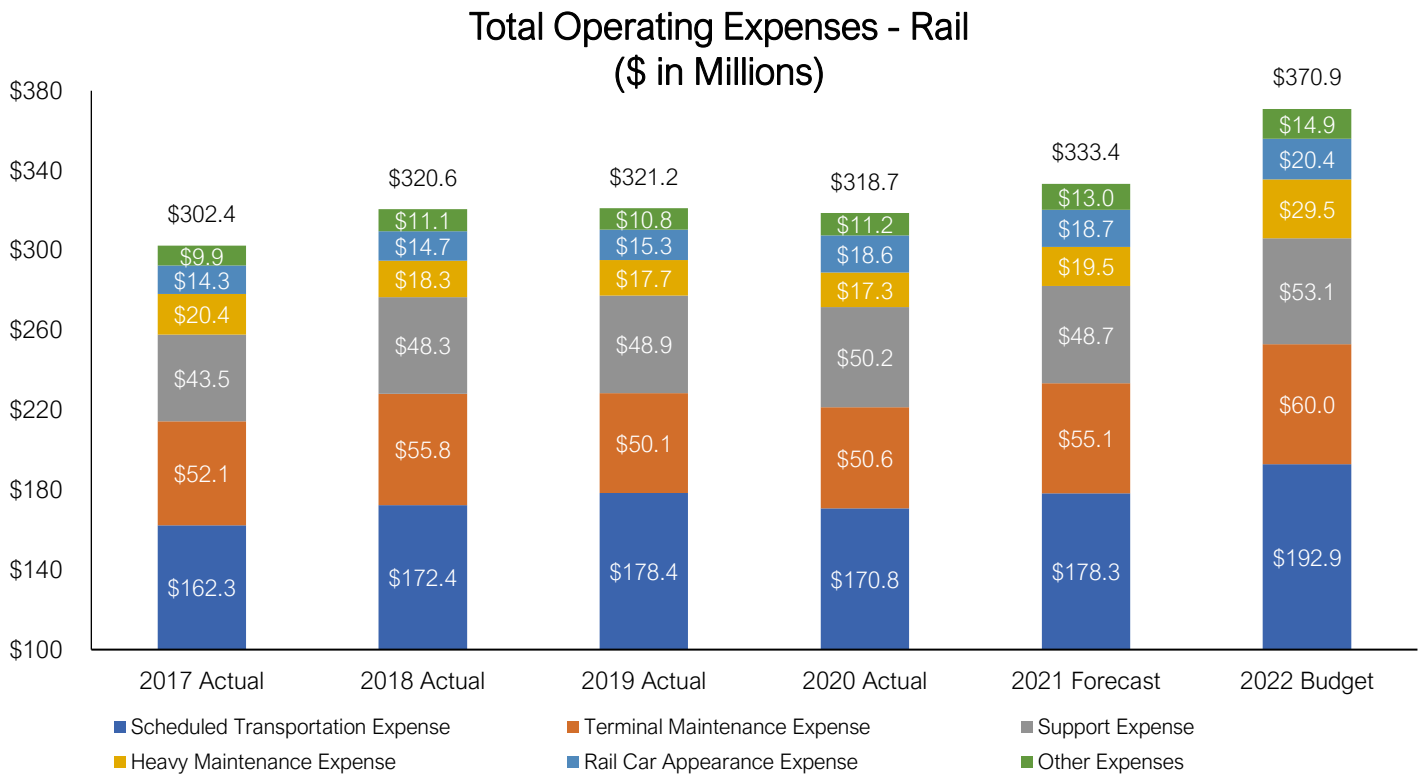
The Transportation Security Administration (TSA) and the Federal Transit Administration (FTA) require all passengers on transit vehicles or at transit stations wear a mask over their nose and mouth at all times. Like every public transit agency in the country, the CTA is focused on education and awareness to promote mask compliance. To that end, the CTA has made available free, disposable face masks on board every bus and at all rail stations for customers without a mask or in need of a new mask.



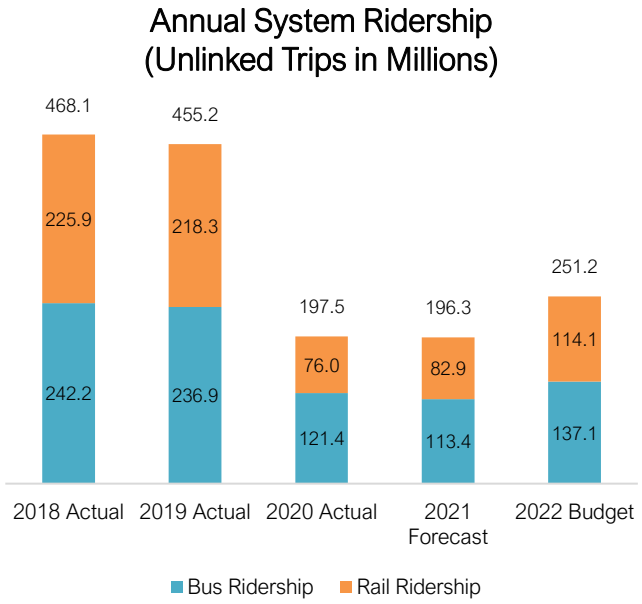
Since the start of the pandemic, the CTA has issued over 1 million masks to its employees, and to the public it has provided nearly 5 million masks and roughly 35,000 Healthy Travel Kits, which contain a reusable cloth mask, hand sanitizer, and travel tips.

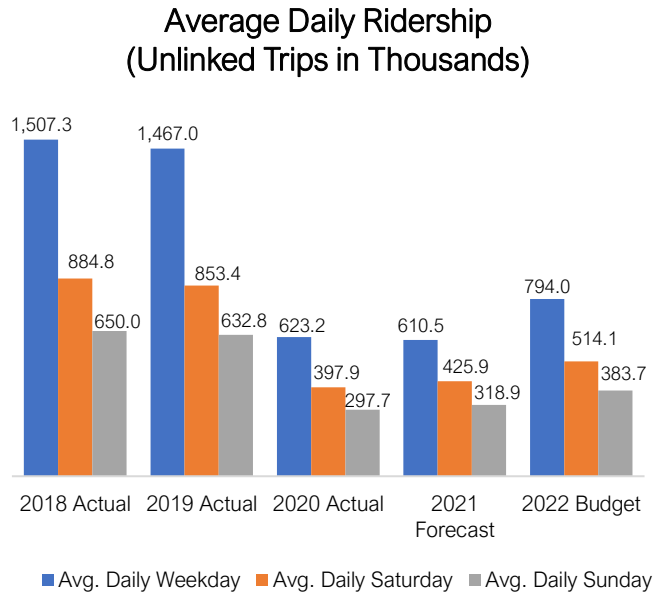
The following is a snapshot of key operating statistics for the following time periods: 2017 through 2020 actual, 2021 forecast, and 2022 budget.

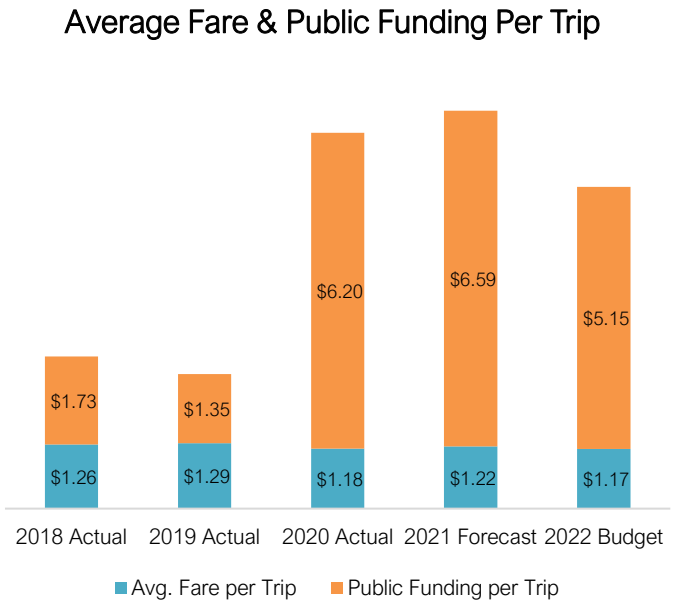


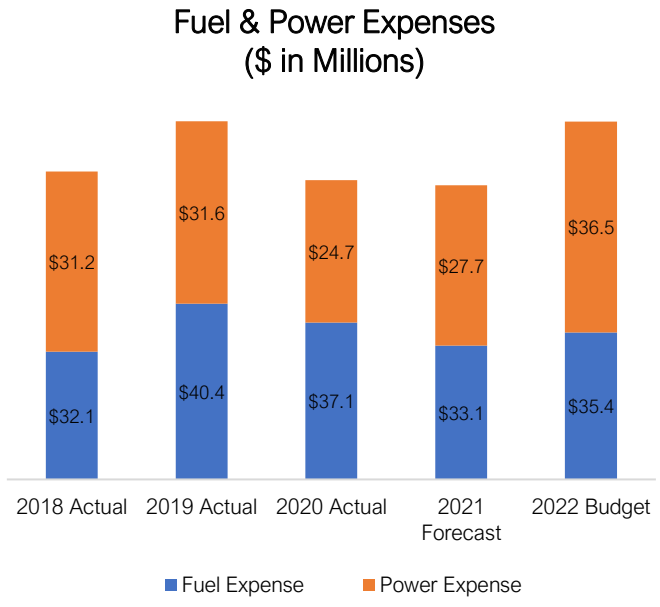


Metric	Mode	2018 Actual	2019 Actual	2020 Actual	2021 Forecast	2022 Budget
Annual Revenue Miles	Bus	52,314,606	52,816,557	49,278,477	53,159,557	53,199,424
	Rail	73,461,555	73,574,040	69,510,641	74,221,231	73,361,969
Annual Revenue Hours	Bus	5,794,197	5,814,122	5,423,534	5,850,681	5,855,690
	Rail	4,068,066	4,065,132	3,855,798	4,117,097	4,325,953
Vehicles Operated in Maximum Service	Bus	1,569	1,566	1,555	1,502	1,502
	Rail	1,142	1,164	1,148	1,160	1,160
Average Age of Vehicles (Years)	Bus	9.3	10	11	12	13
	Rail	18	19	20	21	22









2020-2022 Public Funding includes Federal Stimulus Funds.

Peer Comparison

To illustrate how the CTA performs in comparison to its peers across the country on certain key metrics, the following comparative performance analysis is a group of comparable transit agencies based on the size of the urban area served, the urban characteristics of the service area, and the size of the transit system. This data is collected annually by the Federal Transit Administration and is publicly available on the National Transit Database (NTD), with 2019 being the latest year information is available.

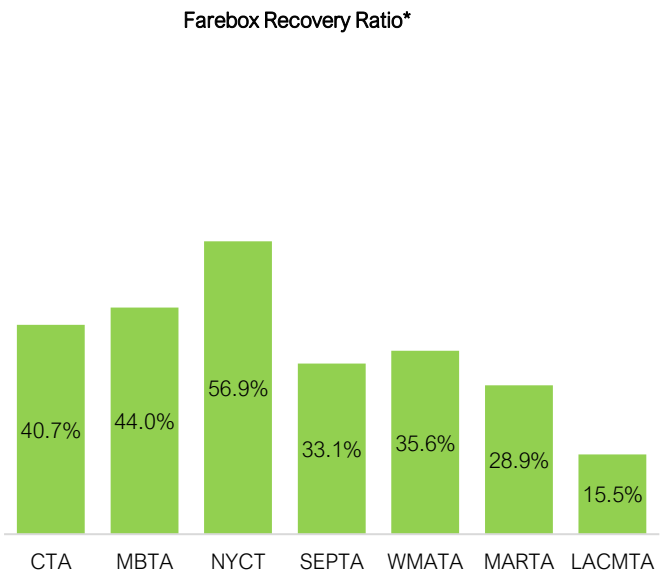
The comparison group includes the following agencies:

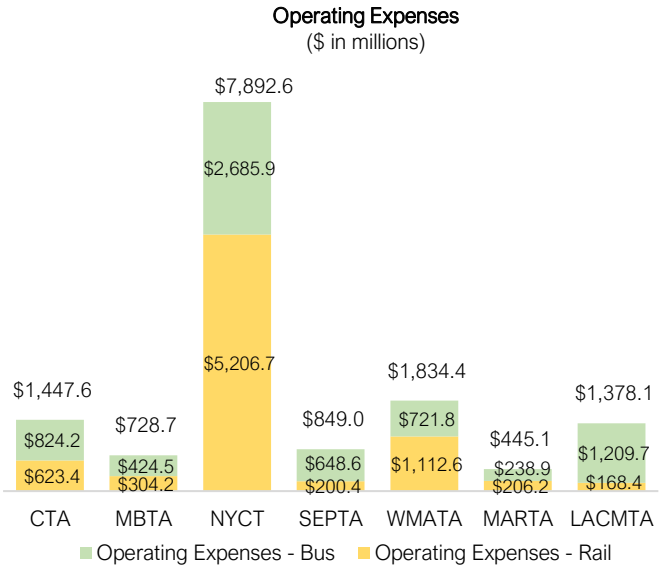
Peer Agency Profiles

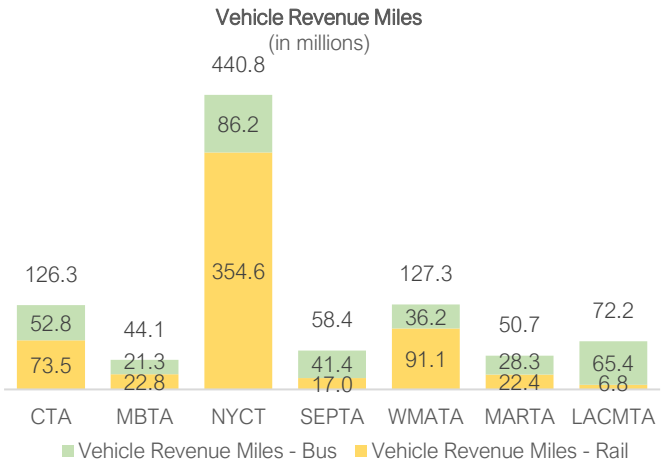
Agency	City	Population (millions)	Service Area (Sq. Miles)	Vehicles Operated in Max. Service	Track Miles
CTA	Chicago	8.6	309	2,730	265
MBTA	Boston	4.1	3,244	2,464	108
NYCT	New York	18.3	321	10,885	836.5
SEPTA	Philadelphia	5.4	839	2,390	99.8
WMATA	Washington D.C.	4.5	950	3,391	292.3
MARTA	Atlanta	4.5	936	831	103.7
LACMTA	Los Angeles	12.1	1,419	3,469	214.7

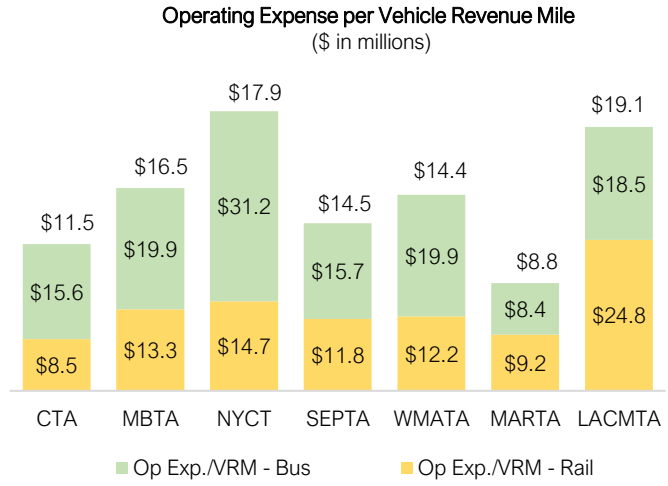
MBTA: Service Area includes suburbs outside of metro Boston

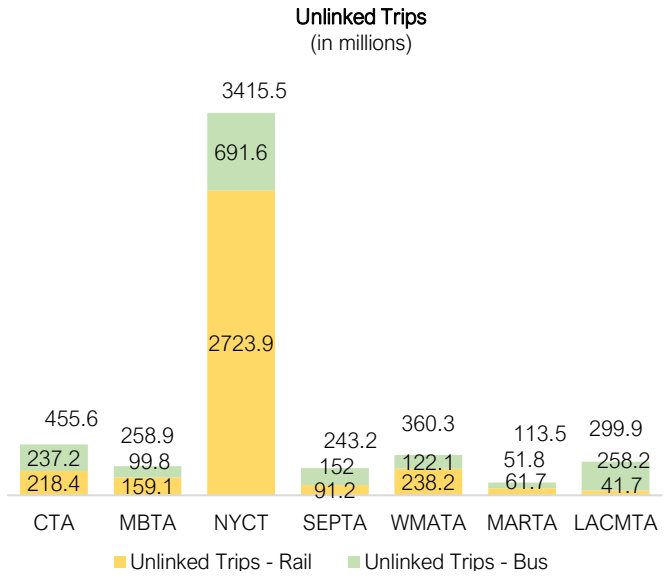
Comparative Key Performance Metrics by Mode

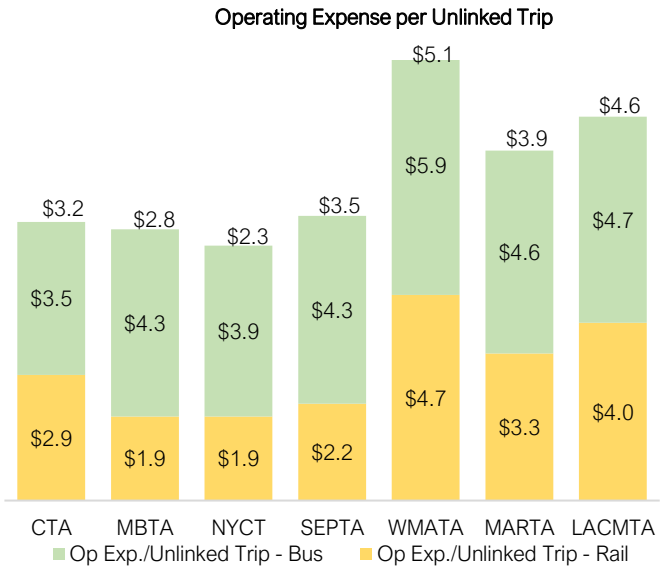


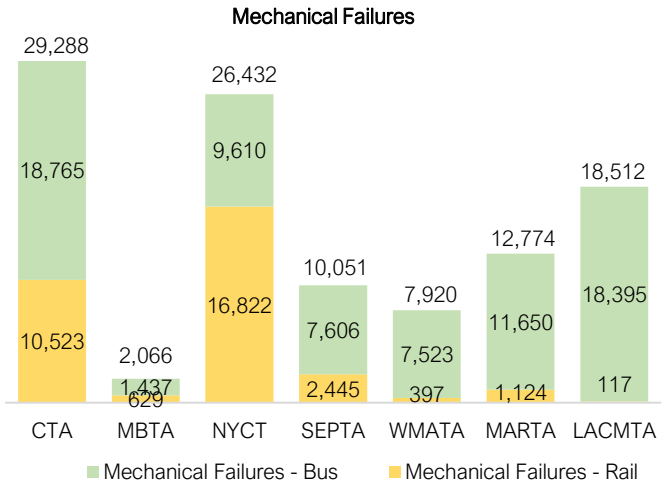


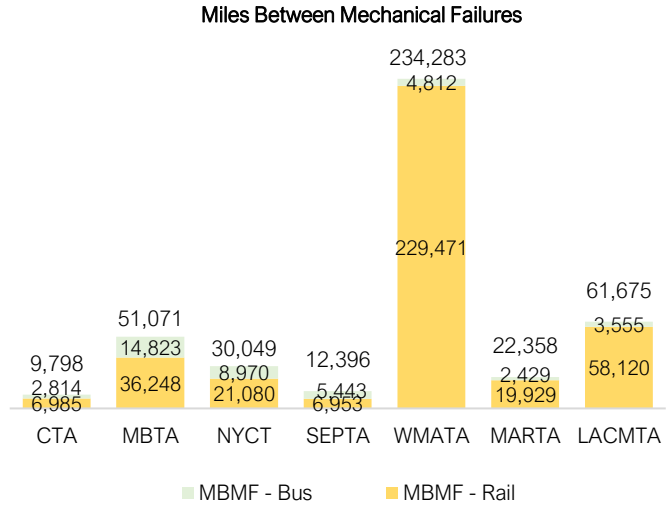





Unlinked Trips
(in millions)
455.6
237.2
218.4
258.9
99.8
159.1
3415.5
691.6
2723.9
243.2
152
91.2
360.3
122.1
238.2
113.5
51.8
61.7
299.9
258.2
41.7
CTA
MBTA
NYCT
SEPTA
WMATA
MARTA
LACMTA
Unlinked Trips - Rail
Unlinked Trips - Bus


Operating Expense per Unlinked Trip
$3.2
$3.5
$2.9
$2.8
$4.3
$1.9
$2.3
$3.9
$1.9
$3.5
$4.3
$2.2
$5.1
$5.9
$4.7
$3.9
$4.6
$3.3
$4.6
$4.7
$4.0
CTA
MBTA
NYCT
SEPTA
WMATA
MARTA
LACMTA
Op Exp./Unlinked Trip - Bus
Op Exp./Unlinked Trip - Rail


Mechanical Failures
29,288
18,765
10,523
2,066
1,437
629
26,432
9,610
16,822
10,051
7,606
2,445
7,920
7,523
397
12,774
11,650
1,124
18,512
18,395
117
CTA
MBTA
NYCT
SEPTA
WMATA
MARTA
LACMTA
Mechanical Failures - Bus
Mechanical Failures - Rail


Miles Between Mechanical Failures
9,798
2,814
6,985
51,071
14,823
36,248
30,049
8,970
21,080
12,396
5,443
6,953
234,283
4,812
229,471
22,358
2,429
19,929
61,675
3,555
58,120
CTA
MBTA
NYCT
SEPTA
WMATA
MARTA
LACMTA
MBMF - Bus
MBMF - Rail

Five-Year Capital Improvement Program

"Public transit is the great connector of our city and with this monumental project [Red and Purple Modernization (RPM) Phase One project], we are building on our obligation to ensure Chicago's transportation network is accessible, reliable and affordable so our residents remain connected to jobs, education and opportunity."

-Mayor Lori Lightfoot, January 28, 2021

The $3.5 billion Five-Year Capital Improvement Program (CIP) is the CTA's plan to renew and expand the system through preservation of scarce capital resources and maximizing available capital investments. This CIP will advance modernization and improvements systemwide, with an emphasis on customer experience and safety, environmental sustainability, new technologies and rolling stock, innovation, advancing state of good repair initiatives for transit stations and rolling stock, and system expansion projects. These efforts will allow the region's transit riders to continue to have access to an affordable world-class public transportation system, recognizing it as a critical link for increasing economic vitality throughout the city and region.

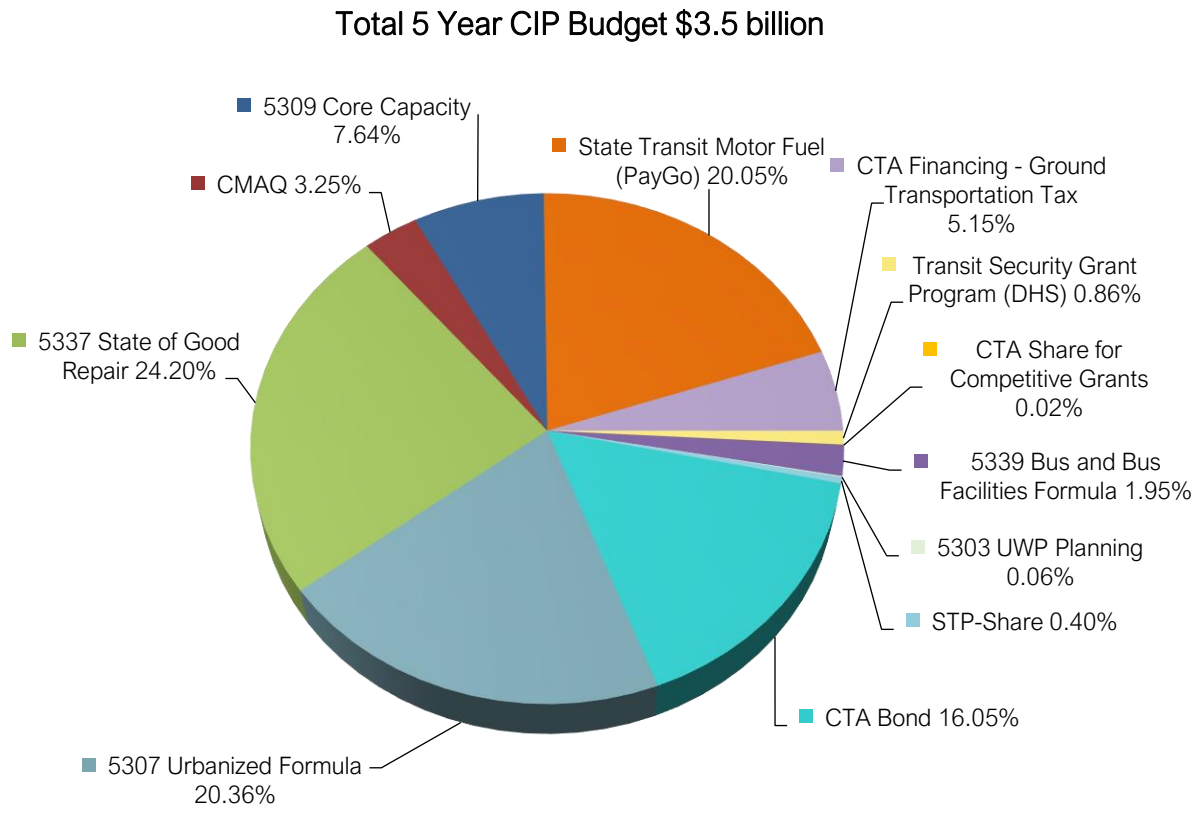
Funding for this CIP anticipates $3.5 billion in commitments from various federal, state, and local sources, including:

- Federal formula and discretionary funds, including core capacity funds and various other competitive grant opportunities, total $2.04 billion.
- State of Illinois "Rebuild Illinois" program – funded by proceeds from transportation bond issuances and motor fuel tax receipts. By the end of FY21, CTA will have been granted its share of bond proceeds, while the Motor Fuel Tax Receipts (State PayGo) program will provide approximately $140 million in recurring annual funding, totaling $696.6 million over five years, dedicated to meeting deferred capital maintenance needs.
- Local sources include the issuance of approximately $557.6 million in CTA bonds.
- Ground Transportation Tax Receipt financing funds $179 million in capital projects.

As a result of the current COVID-19 pandemic, ridership on the CTA and throughout the nation have been severely impacted due to capacity restrictions that initially limited transit use to essential trips only through mid-2021. While ridership has improved as the local economy has reopened throughout 2021, it remains substantially below pre COVID-19 levels.

The investments outlined in this program will reduce operating costs in some areas and avoid or slow escalating costs in others, allowing the CTA to leverage its limited operating and capital funds to further improve the transit system.

Total anticipated available funding sources supporting the $3.5 billion FY2022-2026 CIP is detailed below:



FY22-26 CIP Preliminary Funding Marks ($ in thousands)

Sources of Funds	2022	2023	2024	2025	2026	TOTAL
5307 Urbanized Formula	$133,585	$135,589	$137,622	$149,184	$151,422	$707,402
5337 State of Good Repair	163,153	165,600	168,084	170,605	173,164	840,607
5339 Bus and Bus Facilities Formula	13,135	13,333	13,533	13,735	13,942	67,678
Subtotal FTA	**$309,873**	**$314,521**	**$319,239**	**$333,525**	**$338,528**	**$1,615,687**
5309 Core Capacity	$100,000	$100,000	$65,476	-	-	$265,476
CMAQ - TSP, E-Buses & Bus Slow Zones	-	38,694	-	-	74,255	112,949
Sec. 5303 UWP Planning	420	420	420	420	420	2,100
STP-Share	13,930	-	-	-	-	13,930
Transit Security Grant Program (DHS)	6,000	6,000	6,000	6,000	6,000	30,000
Other Federal	**$120,350**	**$145,114**	**$71,896**	**$6,420**	**$80,675**	**$424,455**
AVAILABLE FEDERAL	**$430,223**	**$459,635**	**$391,135**	**$339,945**	**$419,203**	**$2,040,142**
State Transit Motor Fuel (PAYGO)	141,875	141,875	141,875	135,519	135,519	696,663
CTA Bond	325,090	77,500	77,500	77,500	-	557,590
CTA Financing - Ground Transportation Tax	179,000	-	-	-	-	179,000
Subtotal Local	**$645,965**	**$219,375**	**$219,375**	**$213,019**	**$135,519**	**$1,433,253**
AVAILABLE LOCAL	**$645,965**	**$219,375**	**$219,375**	**$213,019**	**$135,519**	**$1,433,253**
New Funding Available	$1,076,188	$679,010	$610,510	$552,964	$554,722	$3,473,394
CTA Share for Competitive Grants	105	105	105	105	105	525
TOTAL Programmed Funds	**$1,076,293**	**$679,115**	**$610,615**	**$553,069**	**$554,827**	**$3,473,919**

Description of FY22-26 CIP Funding Sources

	Entity	Apportionment	Period	Program / Grant	Description / Eligible Activities
FEDERAL	FAST Act FTA	URBANIZED AREA (UZA) FORMULA	FY16 - 20	5307 Urbanized Formula	Planning, engineering, design & evaluation of transit projects and other technical transportation-related studies; bus replacement, bus overhaul, bus rebuild, security equipment, construction of maintenance and passenger facilities; capital investments in new/existing fixed guideway systems including rolling stock, vehicles, track, signals, communications, technology, preventive maintenance and some ADA complementary costs.
				5337 State of Good Repair	Maintenance of fixed guideway or motorbus systems to provide a state of good repair, such as replacement and rehabilitation of rolling stock, track, equipment, structures, signal and communication, power, stations and terminals, security, and maintenance facilities.
				5339 Bus & Bus Facilities Formula	Replace, rehabilitate, and purchase buses and related equipment, and to construct bus-related facilities, including changes or innovations to modify low or no emission vehicles or facilities.
		DISCRETIONARY		5309 Core Capacity	Substantial capital investments in existing fixed guideway systems that increase capacity by more than 10 percent in corridors that are at capacity today or will be in five years. Projects cannot include elements designed to maintain a state of good repair.
				CMAQ	See Discretionary Grant Section
				Sec. 5303 UWP Planning	Development of transportation plans and programs, plan, design and evaluate public transportation projects and conducting technical studies.
				Surface Transportation Block Grant	Flexible highway funding that is allocated to State and Metropolitan Planning Organizations (MPO) for regional transit projects - See Discretionary Grant Section.
	Homeland Sec. Act			Transit Security Grant (DHS)	See Discretionary Grant Section
LOCAL	CTA Board	N/A		CTA Bond	Bond financing program enables the CTA to advance key projects that touch all elements of the system including: the North Main Line Red and Purple Modernization Project (RPM), the O'Hare Blue Line improvements, Rail Yards Improvements, the proposed Red Line Extension, the purchase of new rail cars, and the overhaul of up to approximately half of the existing rail fleet and over a quarter of the bus fleet.
				Ground Transportation Tax	A 2018 increase of the City of Chicago's Ground Transportation Tax (GTT) on ride-hailing services to fund capital improvements to Chicago's transportation network will provide CTA with $16M in annual funding. This funding source and the tax proceeds from the bond issuance is leveraged to support $179M in capital projects.
	RTA			RTA Bond	RTA issued bonds on behalf of service boards for capital investments. While no bonds are expected to be issued, the CTA expects to receive its 50% historical share of the proceeds of an issuance if it occurs.
STATE	ILLINOIS		2020 - 2025	"Rebuild Illinois" State Capital Transportation Program	State legislation enacted in June 2019, program funds are generated from two sources: Multi-Modal Bonding Series that are backed by vehicle registration and title fees; and the 2019 increase in the State's Motor Fuel Tax (MFT) of $0.19 per gallon. While the bonding series provide a one-time infusion of funding over a six year plan, the State MFT provides a recurring funding source to the CTA, Metra, and Pace dedicated to state of good repair investments.

Federal Funding

On September 30, 2020, a one-year extension of the Fixing America's Surface Transportation (FAST) Act was signed into law. Congress and President Biden have been in negotiations since early summer of 2021 on infrastructure legislation to succeed the FAST Act that expires in October 2021, which is expected to provide funding authorization levels for federal fiscal years 2022-2030. This new authorization is expected to include a substantial increase in funding dedicated to transportation infrastructure, including public transportation, to support various highway and transit programs, along with sustainability initiatives related to transportation.

State Funding

In June 2019, Governor Pritzker signed a historic, bipartisan bill giving Illinois its first capital plan in nearly a decade – and the most robust in state history. Rebuild Illinois will invest $33.2 billion in transportation improvements across the state over six years.

The Regional Transportation Authority (RTA) receives funding from two revenue sources including:

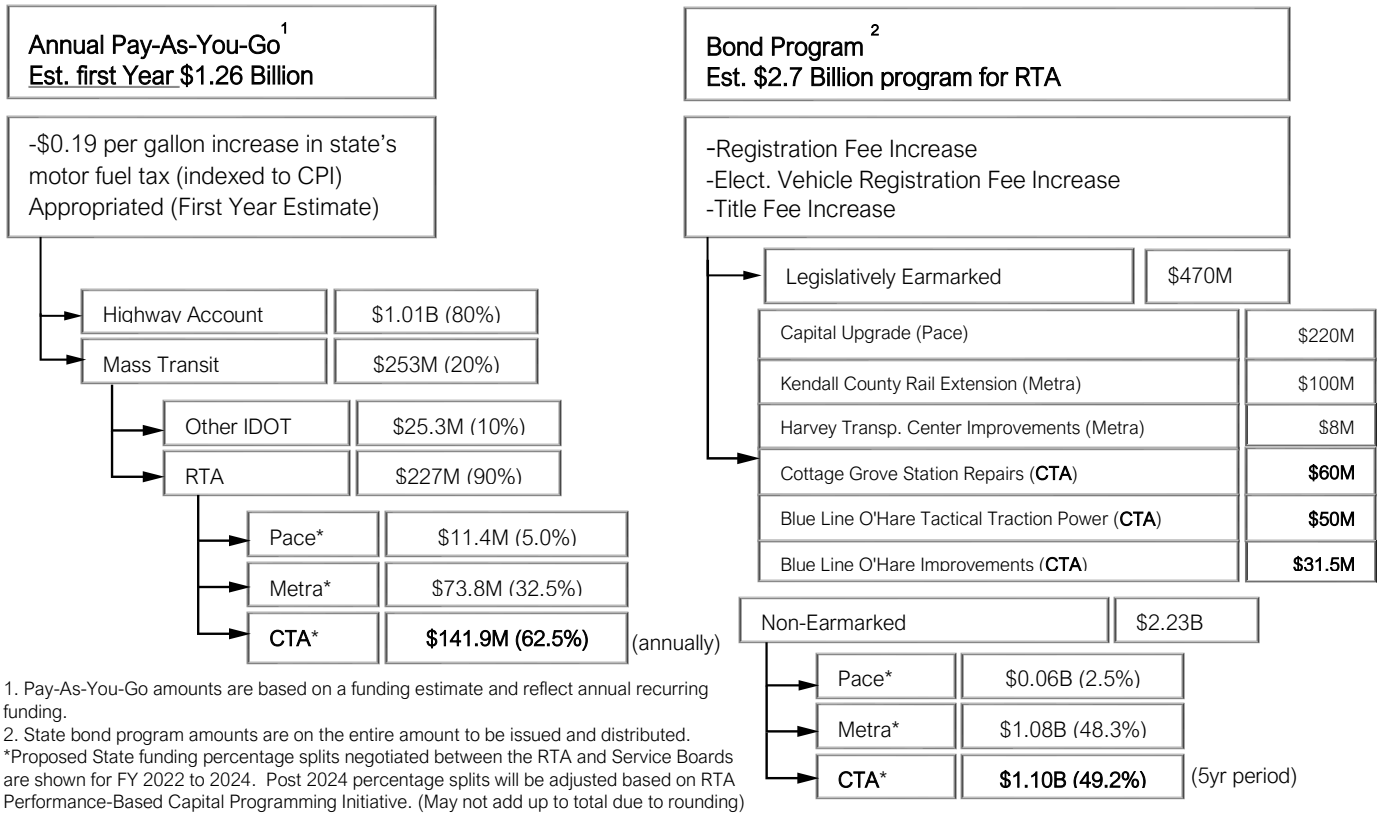
1. A one-time investment of $2.7 billion state bond proceeds funded by vehicle registration and title fees and sales tax on motor fuel. As of prior FY 2021, CTA has programmed and expects to be granted its entire share of proceeds from this bond program and therefore no State Bond proceeds are funded in current five-year plan.
2. An investment of $227 million annually for the region, in State PayGo proceeds funded by a $0.19 per gallon increase in the State's motor fuel tax (MFT), providing a recurring funding source to meet some of the region's SOGR needs going forward.

The funding allocation to the Service Boards has been agreed upon by RTA and the Service Boards. Funding estimates for CTA are $142 million of PayGo proceeds annually through 2024 and $135.5 million in 2025 and 2026, in addition to an allocation of $1.1 billion of state bonds as well as $141 million earmarked state bond funds. In 2021, CTA expects to receive the final award of state bond proceeds and expects to receive the second annual award of MFT receipts.

PayGo will provide a recurring funding stream that will allow the CTA to further invest in the acquisition and maintenance of its capital assets (buses, rail cars, track & structure, and facilities), as well as make upgrades to the existing fare equipment.

With the final grant award of Rebuild Illinois State Bond funds in FY21, CTA will have received its full share of proceeds totaling $1.24 billion. These funds are invested in projects that will be started and completed over the duration of the five-year capital plan based on project need. Granted funds are invested in the renewal and/or overhaul of the revenue fleet, maintenance facilities, rail line and stations, and rail power substations.

The following chart details the sources, recipients, and uses for the two state funding programs:

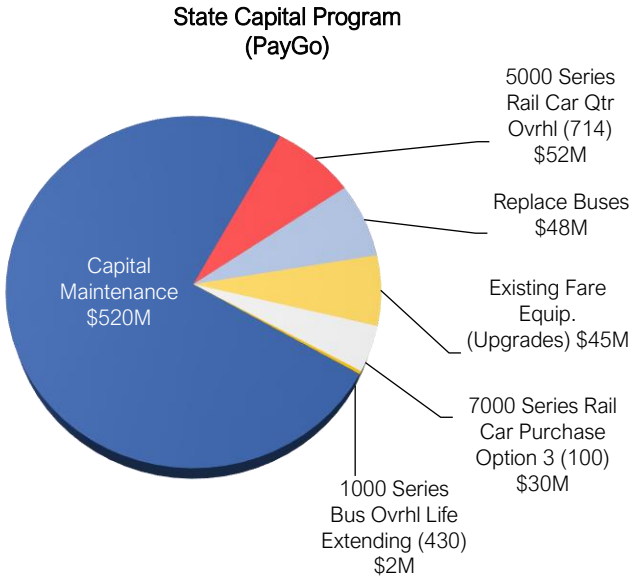


1. Pay-As-You-Go amounts are based on a funding estimate and reflect annual recurring funding.
2. State bond program amounts are on the entire amount to be issued and distributed.
*Proposed State funding percentage splits negotiated between the RTA and Service Boards are shown for FY 2022 to 2024. Post 2024 percentage splits will be adjusted based on RTA Performance-Based Capital Programming Initiative. (May not add up to total due to rounding)

CTA plans to invest the annual allocation of State PayGo funds to meet deferred maintenance and replacement needs for the revenue fleet, facilities, infrastructure, and fare equipment. Investments will be directed toward assets that include but are not limited to the following:

- Capital state of good repair maintenance program where work is designed to prevent and correct major mechanical, electrical, and structural problems on a plan basis. This maintenance work and the planned overhaul and rehabilitation of select assets maintain the system in current state. Programs are funded for revenue fleet, track, structure, and power;
- Bus fleet to address buses that are due for retirement in the next five years;
- Overhaul of select number of 1000 Series buses to extend life until new vehicles can be procured.
- Overhaul the *5000-Series* rail cars (over 50% of revenue fleet);
- Provide for costs associated with the development, maintenance, repair and replacement of the open fare payment system including media equipment, and software.

The following chart identifies the State funded projects and initiatives that are programmed in the FY22-26 Capital Plan.



RTA Performance Based Capital Programming – New Capital Allocation Structure

On July 15, 2021, RTA approved a new methodology to allocate capital funding. The new Performance-Based Capital Allocation structure is being used beginning with the 2022 budget process to distribute 2025 and 2026 Federal Formula (5307/5340, 5337 and 5339 funds) and State PayGo capital funds to the Service Boards as part of the Five-Year Capital Program funding amounts. Additionally, starting in FY 2026, funds may be withheld based on performance metrics outlined in the second guiding principle below. If a Service Board does not meet the requirements, funds will be held in reserve for future distribution. RTA and the Service Boards have not yet developed the methodology to distribute such funds. The new capital allocation structure is intended to ensure that the RTA is systematically investing its capital funding consistently with the region's agreed upon principles, goals, and priorities. It expands on existing work to ensure that investment decisions are driven by data and need, while furthering the region's policy goals.

The new Capital Allocation Structure is guided by three principles:

1. **Addressing Capital Reinvestment Need** of the region by allocating funds to the three Service Boards based on their respective proportions of the funds needed to bring all assets into a State of Good Repair (SGR) in 20 years. Based on the most recent published (2016) RTA Capital Asset Condition Assessment Report the Service Board portion of regional SGR need is 59.7% CTA, 32.8% Metra, and 7.5% Pace. Half of the annual regional allocation of Federal Formula and State PayGo funds will be distributed based on the SGR percentages, while the remaining share (50%) will be allocated based on Capital Expenditure Performance metrics as describe below in item #2.
2. **Incentivizing Capital Expenditure Performance** by applying performance targets to capital program delivery. Metrics to be used to measure expenditure performance are Average Age of funds and Percent of Available Funds Spent in the Current Year, each with its own target:
   a. *Average Age of Funds* - this measure monitors aging of the entire grant portfolio to ensure that, on average, no funds are getting too old. With the intent of spending all funds within the 5-year capital program, the target for this metric is an average age of 2.5 years.
   b. *Percent of Available Funds Spent in Current Year* – this measure helps to ensure that expenditures are occurring each year commensurate with the capital program size. The target for this metric is for 20% of funds to be spent in each year of the 5-year capital program.

   Both measures would be calculated based on the average of the three previous years and the withholding of funds where targets are not achieved can be no more than 20% of the total allocation of Federal Formula and State PayGo each year.
3. **Advancing Policy Priorities** by ensuring that the entire regional five-year capital program advances regional goals, and that special emphasis is placed in areas of immediate importance to the agencies. Specifically, each Service Board is required to program 20% of annual allocated funds on projects which meet either the Core Requirement of Achieve Full Accessibility or Improve Equity.

Regional Transportation Authority Funding

The RTA's capacity to issue bonds for the Service Boards is restricted by statutory requirements on the amount of bonding capacity. Specifically, debt service on the bonds is limited to 40% of the average annual sales tax receipts (over the last two years). As bonding capacity is made available from the retirement of existing capital debt obligations, RTA's policy is to issue new long-term capital debt of which the proceeds are meant to fund capital projects for each of the three Service Boards. Bond funds are expected be allocated as follows: 50% will go to CTA, 45% to Metra, and 5% to Pace. Debt service for these bonds will be sourced from non-statutory Sales Tax I revenue.

RTA bonds are not included in the CIP. However, the CTA understands that if RTA issues bonds in the future, CTA will receive its 50% historical RTA bond allocation. The bond proceeds will be used for capital projects such as the purchase of new rail cars and buses as well as improvements to track and infrastructure.

CTA Bonds

CTA Capital Bonds are financed with grant and sales tax receipts. Since FY04, over $3.1 billion in bond proceeds have provided funding for critical capital projects systemwide. CTA's Bond Program is a direct result of a nearly $14 billion SOGR backlog and the unpredictable nature of the previous state funding. Planned FY22-26 bond issuances include:

- $247.6 million to advance key projects that touch all elements of the CTA system
- $310 million to provide 30% non-Federal Capital Investment Grant match commitment needed for the Red Line Extension.
- $179 million supported by Ground Transportation Tax receipts for Fast Tracks and Safe & Secure programs.

CTA's bond financing program continues to be a strategically important supplement to the federal, state, and local programs. Tax-exempt bond financing offers an efficient and cost-effective way to supplement scarce federal funding and accelerate critical projects. By constructing projects on an expedited schedule, CTA can reduce costs, improve service, and promote system ridership.

Capital Program Development Process

CTA maintains a rolling 5-Year CIP, that represents CTA's capital investment priorities for the next five years based on anticipated available funding. CTA's President and Chief Financial Officer present CIP revisions based on information provided through CTA's decision support processes to the Chicago Transit Board for consideration and approval.

CIP development follows an annual update, review, and approval cycle in conjunction with the overall budget process. The typical timing of key steps in this process is summarized below:

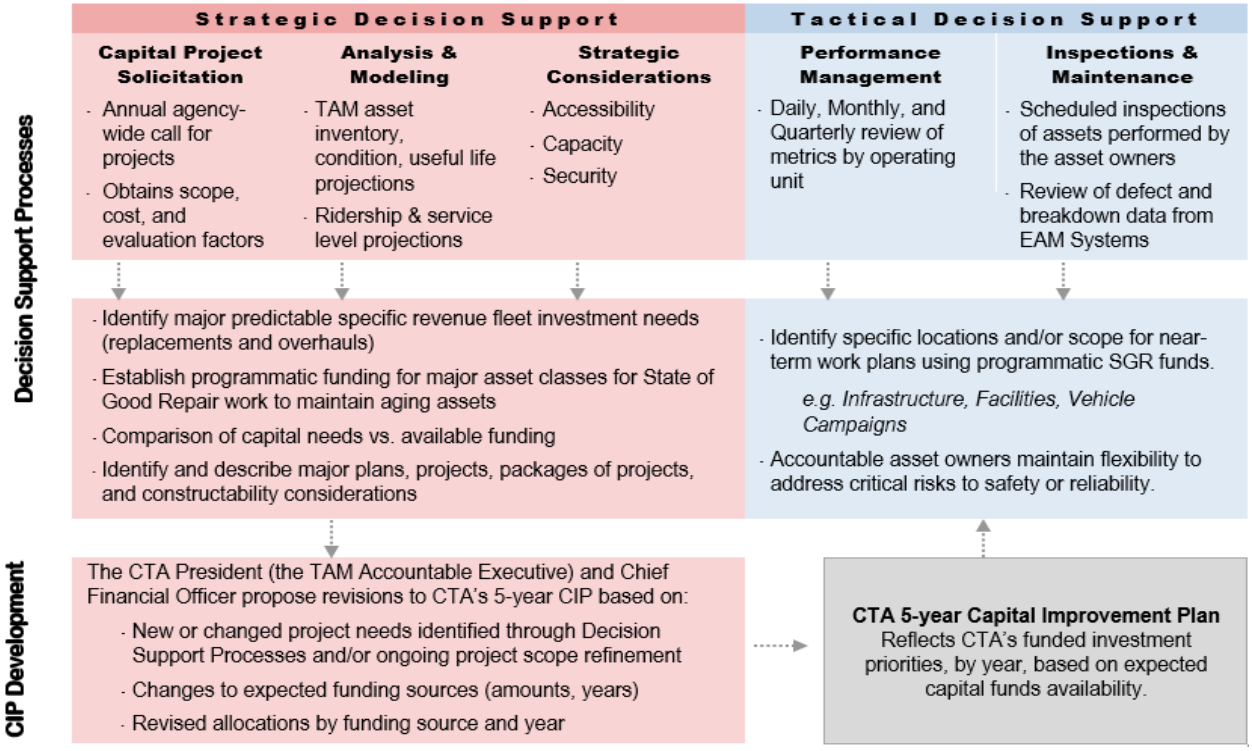
Apr-Jun	Solicitation of new projects – CTA Capital Finance requests project proposals and justification from all CTA business units
Jul	Evaluation of project proposals and senior management review (see "Investment Decision Process Overview", below)
Aug	Development of draft fiscally constrained capital program and budget document based on senior management guidance and preliminary funding marks from RTA
Sep	Final CIP developed after RTA issues funding marks for five-year program
Oct	Proposed CTA Capital and Operating Budgets released for public comment
Nov	Public Hearing and Board Consideration/Approval of CTA Budget
Dec	RTA Board Consideration/Approval of Regional Budgets
Feb	RTA and CTA submit the approved capital programs to the Chicago Metropolitan Agency for Planning (CMAP) for incorporation into the Regional Transportation Plan.

In addition to this annual budget process, CTA's capital program is continuously managed via processes such as:

- Review progress, status, funding sufficiency, Disadvantaged Business Enterprise (DBE) participation, and other outstanding issues on active projects through monthly and/or quarterly meetings with departments;
- Present quarterly CIP updates to the Chicago Transit Board and RTA as necessary due to changes in project requirements or funding availability;
- Apply for, obtain, and monitor compliance of various capital grant funding sources;
- Ensure all reporting requirements for grant-funded capital projects are met.

Capital Investment Decision Process

CTA's estimated baseline funding needed to maintain the condition of its existing asset base is roughly $1 billion per year. In addition, CTA estimates a current backlog of $14 billion in overdue replacements. Historically, the amount of available capital funding has fallen short of the amounts required to reduce or eliminate the backlog. The addition of the State of Illinois "Rebuild Illinois" funds has reduced the backlog funding gap, but the amount of available capital funding during the period FY22-26 will nonetheless require trade-offs in the allocation of funding between various state-of-good-repair needs and among strategic goals. CTA deploys several processes and tools to ensure that key decision-makers have meaningful information to guide when and where to invest scarce capital funding. The information and process flows are illustrated below:



Capital Projects Solicitation ("Call for Projects")

CTA's Capital Finance department conducts an annual solicitation process to request new and revised capital project proposals from CTA departments. The solicitation is conducted and compiled using a database and standard forms, which facilitate consistent analysis and evaluation of funding requests across projects and departments. Capital requests are submitted using a standardized Request Form, and requestors also provide information to inform an evaluation rubric and a State of Good Repair questionnaire. The Request Form collects high-level information about the capital need (e.g. asset category, location, estimated costs, departmental sponsorship) as well as descriptions of project objectives and other means of project justification. Requestors also have the option to attach supporting reference documentation, if warranted.

The evaluation rubric reflects the factors identified in CTA's TAM Policy Statement by project requestors.

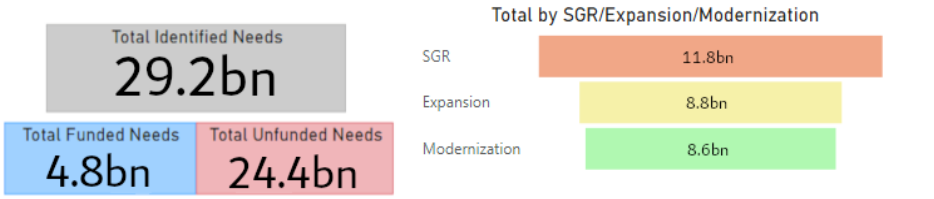
CTA's primary capital project evaluation factors are:

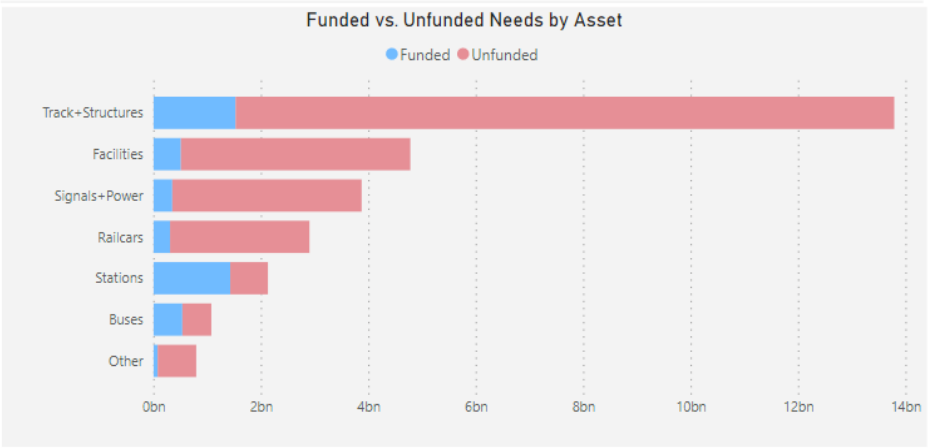
- Safety & Security
- Customer Service
- Accessibility
- Operations & Maintenance

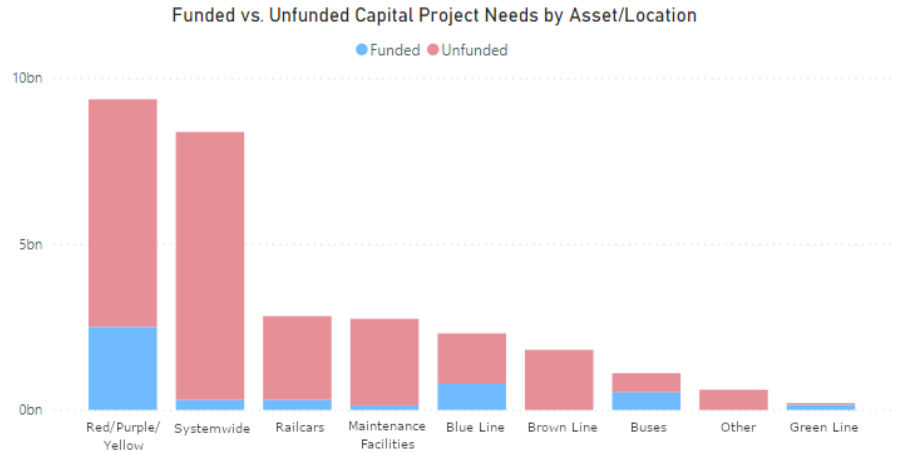
With additional key considerations addressed, including:

- Risk avoidance/mitigation
- Regulatory compliance
- Construction & Staging

For projects that involve replacing or renewing existing assets, the SOGR questionnaire is used to collect asset condition information, and whether the proposed project impacts accessibility or identifiable safety risks. The following graphics summarize all capital needs identified in the 2022-26 project call:







*****RPM Phase One investments are allocated to their respective asset types. Funded totals include prior year funds for projects in progress and proposed FY22-26 funds"*

Capital Investment Needs

Overview

System-wide identified capital investment needs total $29.2 billion. The largest category of investment needs is Rail Infrastructure renewal and modernization, with major needs also indentified for revenue vehicles.

- **$9.79B Infrastructure**
- **$6.48B Red-Purple Modernization**
- **$4.80B Facilities**
- **$2.90B Railcars**
- **$2.30B Red Line Extension**
- **$1.35B Buses**
- **$1.03B Stations**
- $341M Comms/IT
- $142M Non-Revenue
- $ 84M Other

$29.2B Total

All Stations Accessibility Program (ASAP)

103 of 145 stations are currently accessible. 9 stations will be upgraded under ASAP Phase 1, and 5 stations will be upgraded under Phase 2. There are also systemwide elevator replacements occurring throughout the phases.

Phase 1
- Montrose, California, Racine
- Austin
- State/Lake
- Argyle, Bryn Mawr, Berwyn, Lawrence

Phase 2 - Pending Future Funding
- Damen, Irving Park, Chicago
- Adams/Wabash
- North/Clybourn

Rail Infrastructure Needs

Darker shades indicate greater relative investment needs

Line / Branch	Signals	Structures	Power	Subway Safety	Track	Stations	Total
North Red-Purple							
Red Line - Dan Ryan							
Brown Line							
Green Line - South							
Blue Line - Forest Park							
Systemwide							
Blue Line - O'Hare							
Downtown Subways							
Yellow Line							
Green Line - West							
Purple Line							
Orange Line							
Loop							
Pink Line							
Estimated Total	$2.23B	$1.37B	$1.59B	$677M	$11.9B	$2.45B	$20.2B

Fleet Management Plans

CTA has developed FTA-compliant Bus and Rail Fleet Management Plans (FMPs) to guide major capital investments in the revenue vehicle fleet. The FMPs are essential to the capital programming process as they:

- Estimate the required fleet size over the next 10 years based on projected ridership, service levels, and maintenance programs
- Identify the target timeline and sizes of major vehicle purchases and retirements, i.e. the optimal number of vehicles that should be purchased, retired, or overhauled each year over the next 10 years
- Identify constraints or deficiencies in maintenance and operating facilities that may hinder future operations.

The current Bus Fleet Management Plan (covering the period 2016-2028) identifies the following purchases and mid-life overhauls necessary to maintain a fleet of approximately 1,900 buses in a state of good repair with sufficient capacity to meet expected service levels:

- The purchase of up to 700 new 40' buses between 2020 and 2022 to replace 40' buses that will reach their 14-year expected useful life.
- Mid-life overhauls on up to 100 existing buses in 2020 to ensure newer buses provide reliable service for their full-service life.
- Life-extending overhaul on up to 450 buses between 2020-2022 to extend their service life by 4 years and space out fleet replacements.
- Mid-life overhauls on 450 buses between 2021-2024 ensuring newer buses provide reliable service for the full-service life.
- The purchase of up to 200 new 60' buses between 2022 and 2023 to replace 60' buses that will reach their 14-year expected useful life.
- The purchase of up to 450 new buses between 2024-2026 to replace 40' buses that will exceed their extended 18-year useful life.

The current 2016-2026 Rail Fleet Management Plan identifies the following purchases and overhauls necessary to maintain a fleet in a state of good repair with sufficient capacity to meet expected service levels:

- The purchase of up to 846 new railcars (the *7000-Series*) between 2020-2026 to replace railcars that have exceeded their expected useful life and increase the size of the fleet by up to 250 railcars to accommodate expected ridership and service growth upon completion of the RPM Phase One project, Blue Line power improvements, and planned construction of the Red Line Extension.
- Continue performing quarter-life overhauls on the 714 cars of the *5000-Series* through 2023, by which time the overhaul program will begin performing mid-life overhauls on this same car series to ensure that these newer vehicles continue to provide reliable service for their full projected service life of 25+ years.

Strategic Initiatives

Capital investment is also informed by long-term strategic analyses and several strategic investment plans have been developed, such as:

- The All Stations Accessibility Program (ASAP), a roadmap to achieve 100% ADA accessibility across the rail system.
- Core Capacity Modernization studies to determine constraints on future ridership growth and identify mitigation projects/programs.
- System expansions and major improvements to rail and bus service.
- Strategic Planning documents that are available on the CTA website.

Alignment with Regional Goals

CTA's capital program exists within a regional context. Major projects are also considered with respect to their alignment with the RTA's Regional Transit Strategic Plan, *Invest in Transit*, and with CMAP's 30-year comprehensive regional plan, ON TO 2050.

The RTA Strategic Plan serves as a bridge between the five-year CIP and the long-range regional plan. Invest in Transit documents CTA's ten-year priority program of major projects, both funded and unfunded, which serve as a guide to projects to be considered for programming as new funding comes available.

Funding Considerations and Fiscal Constraints

The magnitude of CTA's capital investment needs, well over $20 billion over the next 10 years, as identified by the above decision support processes, far exceeds available funding. The exact amounts of funding available each year from each funding source are also considered in project sequencing and incorporation into the final proposed 5-year CIP. Different capital funding sources have different restrictions on how they may be used; grant funds awarded for specific projects are often non-fungible. The final CIP may sometimes fund and execute a lower-ranking project before a higher-ranking project based on funding availability.

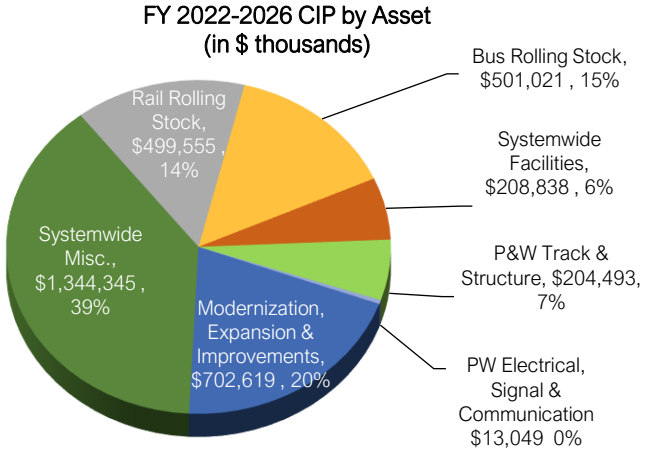
Due to the need to always ensure service can operate safely and reliably in a scarce funding environment, CTA uses programmatic capital funding allocations in the CIP for the maintenance and renewal of certain asset classes. This approach helps to ensure that sufficient capital funding is available to address urgent targeted capital renewal needs as they arise.

Uses of Funds by Asset Category

Projects are funded under the seven asset categories in CTA's proposed FY2022-2026 capital plan. Rail system projects receive a significantly larger portion of the proposed capital program funding than bus projects, primarily due to the need to maintain an exclusive right-of-way for rail, while buses operate on streets maintained by other units of government.

The capital projects proposed for FY22-26 are intended to address CTA's most critical needs for the bus and rail system, customer facilities, and systemwide support. CTA's major projects planned or underway during this period include: the Red and Purple Modernization (RPM) Phase One, Blue Line Improvements to the O'Hare and Forest Park Branches, Green Line Improvements including construction of new Cottage Grove Station, Rail Yards Modernization, the proposed Red Line Extension, the purchase of up to 846 new rail cars and over 600 new buses including additional electric buses, and the overhaul of up to approximately half of the existing rail fleet and over a quarter of the bus fleet.

The following figures show the proposed FY22-26 Capital Improvement Program by category:



FY22-26 CIP by Asset Category (in thousands)

	Title	2022	FY23-26	5Yr. Funding
Bus Projects	**Rolling Stock**			
	Bus Maintenance	$36,000	$144,000	$180,000
	Perform Mid-Life Bus Overhaul	17,709	16,764	34,473
	Replace Buses	29,374	257,174	286,548
	Sub-Total	**$83,083**	**$417,937**	**$501,021**
Rail Projects	**Modernization, Expansion & Improvements**			
	Red Line Extension	95,271	262,500	357,771
	North Main Line - RPM	$179,372	165,476	344,848
	Sub-Total	**$274,643**	**$427,976**	**$702,619**
	Power & Way Electrical, Signal & Communication			
	Replace/Upgrade Power Distribution and Signals	$10,923	$2,126	$13,049
	Sub-Total	**$10,923**	**$2,126**	**$13,049**
	Power & Way, Track & Structure			
	Infrastructure Safety & Renewal Program	$52,493	$152,000	$204,493
	Sub-Total	**$52,493**	**$152,000**	**$204,493**
	Rolling Stock			
	Perform Rail Car Overhaul	$12,399	$47,391	$59,790
	Rail Car Maintenance	18,106	72,000	90,106
	Purchase Rail Cars	94,456	255,202	349,659
	Sub-Total	**$124,962**	**$374,593**	**$499,555**
Systemwide Projects	**Miscellaneous**			
	Information Technology	$1,700	$18,100	$19,800
	Equipment and Non-Revenue Vehicles Replacement	18,333	46,000	64,333
	Rehabilitate Rail Stations	22,827	0	22,827
	Implement Security & Communication Projects	10,677	57,569	68,245
	Capital Improvement Program Management	12,493	44,609	57,103
	Bond Repayment, Interest Cost, & Finance Cost	332,022	764,815	1,096,837
	Bus Slow Zone Elimination Program	0	15,200	15,200
	Sub-Total	**$398,052**	**$946,293**	**$1,344,345**
	Support Facilities & Equipment			
	Improve Facilities - Systemwide	$22,136	$76,702	$98,838
	Control Center	110,000	0	110,000
	Sub-Total	**$132,136**	**$76,702**	**$208,838**
	Capital Project Total	**$1,076,293**	**$2,397,627**	**$3,473,919**
	CTA Share for Competitive Grants	-$105	-$420	-$525
	Marks	**$1,076,293**	**$2,397,627**	**$3,473,919**

Bus Rolling Stock Projects

CTA has a large bus fleet consisting of over 1,800 buses, operating on 127 routes, and is committed to providing its customers with high quality bus service. The system's success depends in part on CTA's ability to renew, maintain, and operate its bus fleet in a state of good repair.

The Bus Overhaul and Maintenance programs are intended to obtain the full useful life of buses by performing scheduled tasks that result in decreased equipment downtime and unscheduled maintenance. Unscheduled maintenance occurs when buses fail in service, disrupting operations, inconveniencing customers, and increasing operating costs.

The Bus Replacement program provides for engineering, purchase, and inspection of fully accessible buses. All bus procurements include spare parts and post-delivery monitoring of performance and technical support for problem resolution during the warranty period.

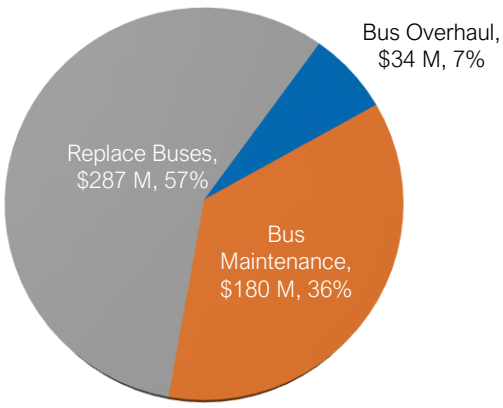
Funding for these projects will provide for an ongoing capital maintenance program that consists of tasks necessary to keep buses in service through inspection, detection, and prevention of anticipated failure. Routine bus overhaul and upgrades will minimize increases in operating costs associated with the maintenance of older, obsolete equipment, and allows for more reliable service to be provided. Newer buses have lower operating costs and ensure reliable service and reinforce CTA's commitment to quality bus service.

- **Bus Maintenance $180M –** CTA plans to correct critical defects and deficiencies on the bus fleet discovered during the inspection. Scheduled maintenance program consists of planned preventive maintenance work to maintain optimal bus performance. While major overhaul work is performed on a mid-life cycle basis, additional focused work is required at certain intervals outside of the overhaul over the life of the bus. Major systems that must be maintained on buses include, but are not limited to Engines, Transmissions, and Electrical Systems. Work is performed by CTA's maintenance teams at bus garages dependent on work specification.

- **Perform Life Extending Overhaul $34M –** Funding will provide for the Life Extending Overhaul for up to 430, *1000-Series* New Flyer buses. The number of buses to be overhauled will depend on the timing of future procurements of buses.

- **Replace Buses $287M –** Funding will provide for the procurement of the First Option(s) to replace up to 500 of the 1,030 *1000-Series* buses; Base contract of 100 buses is currently underway. Five year funding will also provide for a new procurement to purchase up to 70 electric buses. CTA has operated two electric buses since 2014, added nine more electric buses to the fleet in 2021, and is awaiting delivery of 14 additional electric buses in early 2022.

FY22-26 Allocation for Bus Rolling Stock $501M

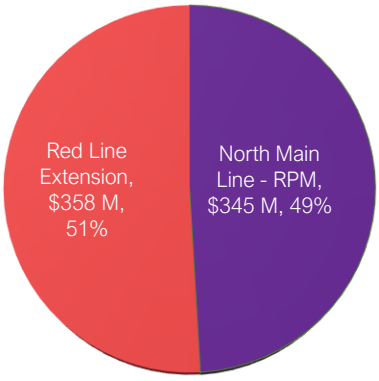


Rail Line Modernization, Expansion & Improvement Projects

Rebuilding vital infrastructure for Chicago's present and future is one of CTA's top priorities. Investments on two major transformational projects will continue in 2022 that will provide faster service, modernized stations and improved mobility and accessibility to customers.

- Red and Purple Modernization (RPM) Phase One.
- Red Line Extension (RLE)

FY22-26 Allocation for Modernization, Expansion & Improvements $703M



North Main Line Red / Purple Modernization (RPM) $345M – RPM is a transformational, multi-phased program that will completely rebuild the northern main line sections of the red and purple lines. Phase One is a $2.1 billion project that will improve capacity, travel time, ride quality and safety, allowing for increases in service on the busiest rail line.

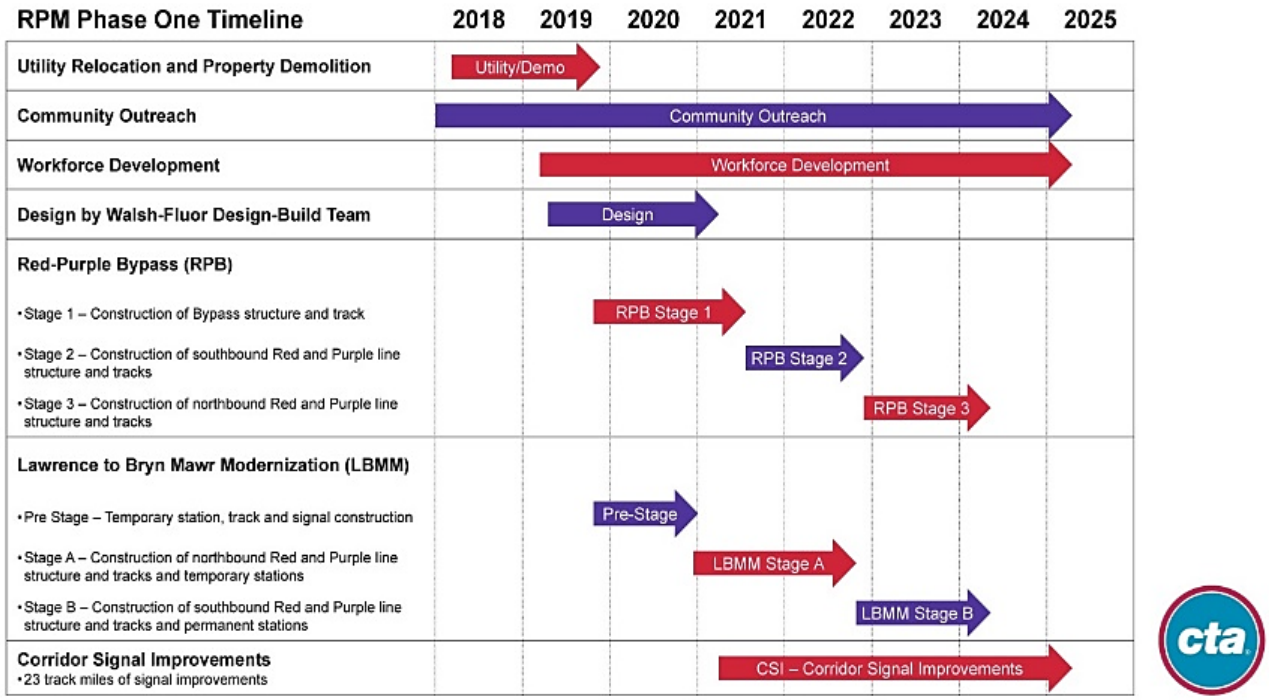
RPM Phase One Benefits:

- Modernize and expand the Lawrence, Argyle, Berwyn and Bryn Mawr Red Line Stations;
- Reconstruct and expand track and structures;
- Signaling improvements from Belmont to Howard;
- Construction of a Brown Line bypass track at the Clark Junction to reduce capacity constraints.

Project Status:

- Design-Build Contract Notice to Proceed issued February 8, 2019, commencing design work in advance of construction.
- In Fall of 2019, construction work for the Red-Purple Bypass (RPB) area began.
- In May 2021, Pre-Stage work necessary for two track operation was completed and reconstruction of the Eastern half of the structure and track from Lawrence to Bryn Mawr began.
- The RPM Phase One timeline was updated to reflect actual and forecast dates and CTA is conducting ongoing public outreach meetings to keep the public and business community informed about the project.





Red Line Extension $358M –The proposed $2.3 billion Red Line Extension (RLE) project would extend the Red Line from the existing terminal at 95th Street to 130th Street. The 5.6-mile extension will include four new, fully accessible stations at 103rd Street, 111th Street, Michigan Avenue and 130th Street. Each station will include bus connections and parking facilities. The Project would also include a new railyard and shop near 120th Street.

RLE Benefits:

- Reduces commute times within and south of the project area;
- Improves mobility and accessibility for transit-dependent residents in the project area;
- Improves rail transit service to this service area, allowing critical links between housing, jobs, services, and educational opportunities which will enhance neighborhood livability and vitality.
- Improves connections to other transit modes including regional commuter rail and suburban bus in the project area.
- Fosters economic development as new stations will serve as catalysts for neighborhood revitalization.
- Provides a modern rail car storage and shop facility to provide storage and maintenance for rail cars.

Project Status:

- In 2018, based on public feedback, technical analysis, and agency coordination, CTA selected the RLE Preferred Alignment.
- In 2019, CTA hired a Program Management Consultant to oversee the Final EIS and PE work needed to advance RLE through the Project Development Phase of the FTA New Starts Capital Investment Grant Program.
- In 2020, CTA hired a Preliminary Engineering (PE)Consultant to complete the Final EIS and PE work.
- In 2020, CTA awarded a contract to commence work efforts on the RLE Transit Supportive Development Comprehensive Plan.
- In December 2020, FTA accepted CTA's request for entry for RLE into the two-year Project Development Phase of the New Starts Program. CTA plans to complete Final EIS and PE as well as request Entry into New Starts Engineering Phase in 2022.



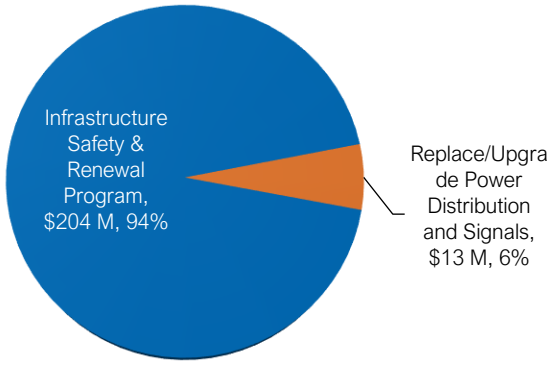
Power & Way Projects

CTA's Power and Way infrastructure consists of track, signal, electrical, communication and structure assets that are essential in the safe operation of the rail system.

Electrical, Signal & Communication - CTA maintains a signal system designed to permit the safe operation of trains on over 225 revenue track miles. The traction power distribution system consists of 67 substations, five substation tie houses, 285 miles of cable, and 224.1 miles of third rail.

CTA's Replace/Upgrade Power Distribution Program targets power distribution and signal upgrades and/or replacements to maintain system reliability. The Program will either replace or upgrade signal assets including wayside signals, interlockings and grade crossing signals at various locations along the rail right-of-way; focusing on predictive maintenance, which replaces component parts, correct deficiencies, and avoid service disruptions due to failure of aging equipment.

FY22-26 CIP Allocation for
Track & Structure and Power & Way - $218M



By funding programs such as replacing or rehabilitating old and obsolete signal system subcomponents will result in a reduction of emergency corrective maintenance costs. Predictive maintenance work will provide reliability and continuity of rail service and will not have a significant negative long-term impact on maintenance costs or operating budgets.

- Replace/Upgrade Traction Power Distribution Systems $13M – Funding will provide for the Tactical Traction Power System Improvements enabling the CTA to continue to meet existing traction power needs and increase traction power capacity to meet future demands such as the forthcoming 7000-Series rail cars. The project will include upgrades to the rectifier transformers, DC switchgears, battery systems and automatic transfer switches.
- Infrastructure Safety and Renewal Program $204M – Project funds will be targeted to Safety and State of Good Repair projects throughout CTA's right-of-way infrastructure. All work planned and performed will maintain the asset(s) in proper condition through its quarter life cycle, while a more extensive rehabilitation is planned at the mid-life of the asset. Funding will provide for the replacement of ties, running rail and third rail on the elevated structure systemwide. Beyond track renewal, work will focus on key deficient structural elements that have been identified through structural inspections

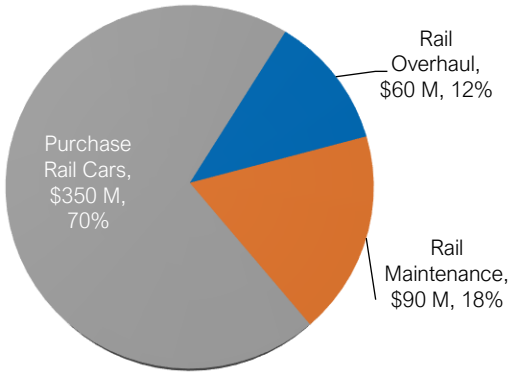
Rail Rolling Stock Projects

CTA has a large fleet of over 1,400 rail cars that make approximately 2,300 trips each day serving 145 stations.

The Rail Overhaul and Capital Maintenance Programs are intended to correct critical defects and deficiencies discovered during inspection. The Capital Maintenance Program consisting of ongoing tasks necessary to keep rail cars in service through systematic inspection, detection, and prevention of anticipated failure while the Overhaul Program is intended to be performed on each rail car at approximately 6-7 year (Quarter-Life) and 12 to 13 year (Mid-Life) intervals. Overhaul activities include major component rebuild and needed repairs to rail car bodies, providing improved reliability, comfort, and cost-effectiveness of transit service, making it more attractive and beneficial to customers. Scheduled maintenance activities and replacing rail cars at the appropriate time, generally at 30 years of age, allows CTA to improve the quality and service reliability of rail cars while reducing maintenance costs. As more rail cars are cycled through the overhaul program, unscheduled maintenance will be significantly reduced.

CTA's rail car purchase program will provide for the engineering, design services and project management to purchase new rail cars. All procurements will include post-delivery monitoring of vehicle performance and technical support for problem resolution through the warranty period.

FY22-26 CIP Allocation for Rail Rolling Stock - $500M



- **Perform Rail Car Overhaul $60M –** Funding will provide for the purchase and installation of components for overhaul work on 714 of the *5000-Series* rail cars, which will include major component rebuild and repairs to the car structure, components, and interior designed to be performed on each rail car at approximately six to seven-year intervals.

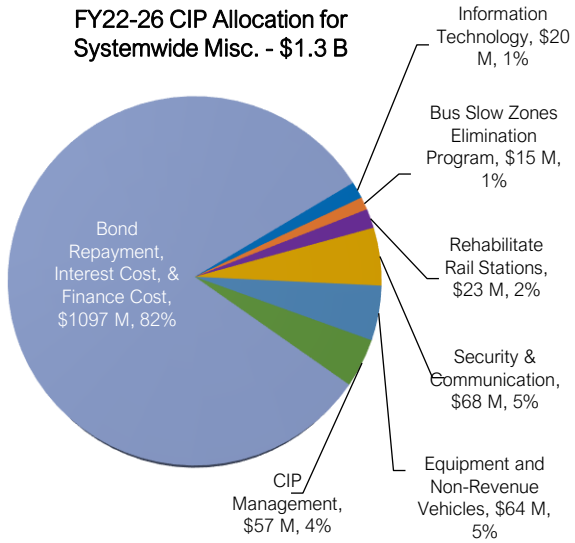
- **Rail Car Maintenance $90M –** CTA's scheduled maintenance program consists of planned work to maintain optimal rail car performance. While major overhaul work is performed on a quarterly and mid-life cycle basis, additional focused maintenance work is required at certain intervals of the car's life outside of the overhaul cycle. When certain maintenance tasks are needed to repair or replace a component before it reaches its end of useful life and fails with an increased frequency, specific component campaign work is conducted. Major systems that must be maintained on CTA's rail cars include but are not limited to Propulsion, HVAC, Braking, and Traction system. Work can either be performed at CTA's Rail Terminal Shops or Heavy Maintenance Shop dependent on work specification.

- **Purchase Rail Cars $350M –** Funding will provide for the purchase of new 7000-Series to replace the 2600- and 3200-Series rapid transit rail cars. Existing funds are secured to acquire 556 new 7000-Series rail cars that are included as part of the base order and option one to the procurement contract. While the plan calls for a contributed share from the RPM project to fund a select numbers of cars from the contract order to meet service capacity for the line when fully constructed. With RPM project share contribution, the current five-year fully invests to allow CTA to acquire an additional 100 cars. Option Three for another increment of 100 cars is partially funded in the five-year plan. When all capital funding that is secured and programmed is accounted, CTA expects to acquire 656 new rail cars and will look to future and/or alternative funding sources to acquiring remaining 190 cars as part of remaining options to contract. In total, CTA looks to acquire a total of 846 rail cars to replace aged cars.

Systemwide Projects

Systemwide improvements such as Information Technology, Equipment and Non-Revenue Vehicles, Rehabilitate Rail Stations and Implement Security and Communication Projects are vital projects directed towards the Authority's System Infrastructure; Administration projects such as CIP Management and Bond Repayment are necessary to support CTA's Capital Improvement Program and Planning projects that will implement a coordinated program of bus priority treatments for specific bus network problem areas.

FY22-26 CIP Allocation for Systemwide Misc. - $1.3 B



- **Information Technology (IT) $20M** – Funding will provide for periodic replacement of systems, computers and associated components, and state -of-good-repair maintenance program.

  Funding over the duration of the five-year plan will provide for the next anticipated upgrades for mission critical enterprise application systems that support transit operation planning, bus and rail scheduling, material management for both bus and rail maintenance, human resources, learning management & support, and other departments throughout the CTA organization. The upgrades are essential to keep the application systems up to date and current with the vendor supported system that include latest

version of software, database, operating system, browser, and stable hardware.

The CIP invests in necessary technological refresh of the bus routers and Intelligence Vehicle Network computer system on the buses to ensure bus communications network and data management is optimized. CTA buses are currently equipped with these items that allow for the bus to communicate with control operations, and powers the related systems including Bus Tracker, Transit Signal Prioritization, video feeds, automatic bus announcements, vehicle location, and bus arrival sign updates. The upgrade/refresh would be applied to the entire fleet of buses.

The CIP provides for a SOGR maintenance program that will provide for the repair, replacement, and upgrade of IT systems and/or devices, software, emergency restoration, subject matter expertise support, system monitoring, and cyber security solutions. The program seeks to revitalize heavy usage of 24/7 technology systems including Uninterrupted Power Supplies (UPS), radios, telephones, cameras, dynamic message signs (DMS), public announcement (PA) speakers/microphones, SCADA, Control Center, and mobile fleet communications.

❖ **Equipment and Non-Revenue Vehicle Replacement $64M –** Funding will provide for the Open Fare Lease, the Purchase of Diesel Locomotives, and an annual program to replace overaged vehicles and equipment throughout the agency. The Open Fare Lease provides for the ongoing Ventra agreement which allocates funding for the principal and interest costs needed for the open fare standard equipment, hardware, and software costs. The final installment of funds is allocated for the replacement of four diesel locomotive snow-fighters, the self-propelled locomotives are designed to operate and clear the tracks , so that CTA can safely power up the system to restore/provide service. Lastly, CTA invests funds annually to fund the phased replacement of aged equipment and vehicles used by CTA maintenance groups that include Bus, Rail, Power & Way, and Facilities.

❖ **Rehabilitate Rail Stations $23M –** Funding will be directed to three projects: CTA Station Program, Austin Station construction, and elevator rehabilitation/replacement program. CTA stations program will be focused primarily on work that improves CTA's capacity to maintain stations and improve customer comfort and safety. The focus will be to target critical smaller upgrades such as, but not limited to: station house, structural supports, stairs, platforms, canopies, lighting, signage, tactile edge and passenger amenities. Locations for this project will be driven primarily by audits performed by inspection crews. The Austin Station reconstruction will provide for a complete renovation of the station including the addition of an elevator and ADA compliant ramp. Current five-year plan funding will complete the investment. The elevator modernization program is part of CTA's ASAP, where the goal is to rehab or replace a certain number of elevators annually throughout the system with the exact number being determined by funding availability.

❖ **Implement Security & Communication Projects $68M** – Security and safety are of supreme concern for CTA. This initiative will focus on implementing up-to-date systems, cameras and programs to its customers and CTA personnel. Continued investments with the Chicago Police Department (CPD) adds another layer of anti-terrorism mechanism to protect CTA's high-risk, high-consequence mass transit assets and operations from terrorist activities.

In addition, CIP funds the initial phase of a multiple year program that will address the first of a series of SOGR upgrades to the rail station communication infrastructure throughout the system. SOGR upgrades are necessary based on condition and asset life cycle needs. Program will provide for the comprehensive rehabilitation, overhaul, and upgrades to station elements that include the Public Address system, communication infrastructure, camera and video management systems.

These are all the life safety mission critical systems which all have to be upgraded at the same time, and are all interrelated. For example, the rail station communications infrastructure upgrades are needed by PA system, the digital signage system, cameras system, telephone system, radio system etc.

❖ **CIP Management $57M –** CIP Management provides for project administration and professional services associated with all capital projects in the CIP as a percentage of engineering labor charges. Also, included in this category is CTA's program development staff which develops and maintains the regional Transportation Improvement Plan (TIP) and the State Transportation Plan (STIP) as required under federal regulations.

❖ **Bond Repayment, Interest and Finance Costs $1.1B** – This will fund debt service, bond issuance costs, and notes incurred by CTA when debt is used to finance capital activities, including:

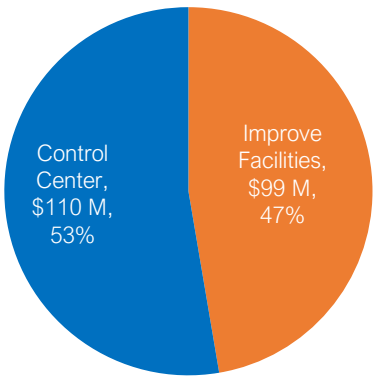
- Payment of principal and interest costs associated with the Sales Tax bond series issued or refinanced in 2010, 2014, 2017 and 2020.
- Refinancing of Capital Grant bonds made in 2015, 2017 and 2021.
- Payment of principal and interest costs for two Short-Term Lines of Credit, which were used as interim financing for initiatives such as RPM and bus, rail and facility maintenance projects.

❖ **Bus Slow Zone Elimination Program $17M -** Also known as the Bus Priority Zone Program, is a joint initiative with the Chicago Department of Transportation (CDOT); together a coordinated program of Bus Priority Zones consisting of bus priority treatments and targeted solutions for specific problem areas will be developed to improve speed and reliability on major bus corridors. The Bus Vision Study is intended to inform the development of a broader reassessment of bus service, with the goal of ensuring that CTA's bus network is designed in a way that meets the needs of service area residents. The first phase of this study is underway and is focused on analyzing existing transit service, ridership dynamics and land use and population changes across CTA's service area.

Support Facilities & Equipment

CTA has seven active bus garages, 10 rail terminals, 17 park-and-ride lots, 106 bus turnarounds, and other maintenance and support facilities critical in providing timely and efficient service to CTA's customers.

FY22-26 CIP Allocation for Improve Facilities - $209M



- **Improve Facilities Systemwide $99M** – Funding will provide facility improvements and upgrades to various support facilities throughout the system. Funding will address the deteriorated condition of these facilities, which affects reliability of service and creates safety issues for customers and employees. Funding is also allocated for capitalized lease payments for CTA's headquarters building and planned work which includes the following renewal initiatives: 1) Facilities preventive maintenance program addresses necessary repairs and upgrades for passenger facilities, bus garages/shops, rail maintenance shops; and other maintenance and warehouse facilities. (2) Modernization of rail yards systemwide to restore, preserve, upgrade, and improve the integrity and configuration of the yards (3) Critical repairs at facilities systemwide.

- **Construct New CTA Control and Training Facility $110M_-** CTA complex (campus) to include a Control Center and Training Facility. The facility will be equipped with modern state of the art technology, heighten security criteria and redundant power sources. The Control Center portion of campus will include an auditorium, situation room, network operations center, and communication and training rooms. While, the new training facility portion of the campus will contain offices, classrooms, and conference rooms for CTA employee training. The training facility will contain both bus and railcar inspection pits including embedded rail track and testing track for rail operations. This project consolidates training functions across the agency within a centralized facility. Currently training is dispersed throughout the CTA system at various garages, yards, and offices due to space limitations. Thousands of CTA operating and maintenance employees use these facilities for employee training, instruction programs, and employee engagement. The primary rail and maintenance training is performed at a leased space and lacks all components necessary for proper training.

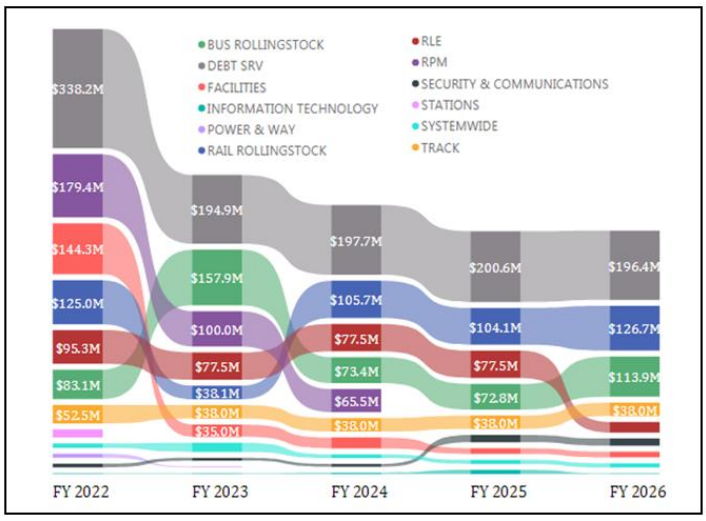
FY22-26 CIP Asset Category Comparison

CTA has substantial financial commitments associated with the capital bond program that has funded over $2.8 billion in system improvements since 2004. Given the significant constraints on capital funding, CTA effectively manages the allocation of capital investment funds to make substantial commitments to perform SOGR work throughout the system.

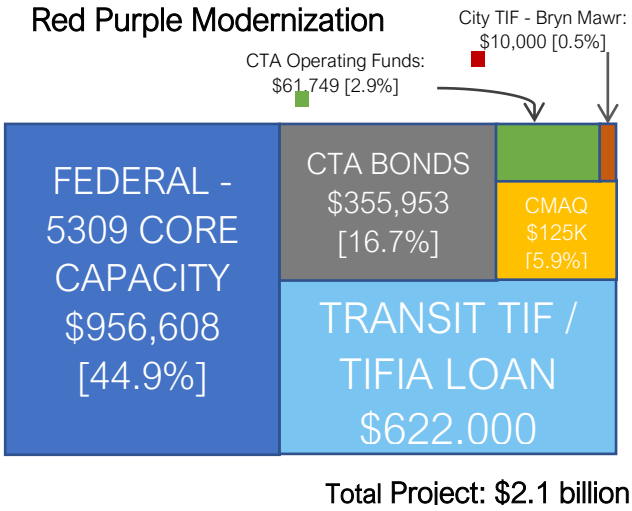
The largest share of investments is dedicated to the rail and bus fleets, which includes the purchase of next generation *7000-Series* rail cars, plans to replace over 50% of the bus fleet, and future fleet overhauls as funding permits. The second-largest investment is the track renewal part of the FAST Tracks initiative, and to rehabilitate CTA facilities including maintenance facilities for bus and rail and rail yards. Significant funding is also directed to renew power distribution, stations, and security systems.

The greater share of CTA's project investment in the five-year plan is oriented toward the rail system, indicative of the cost for CTA to maintain a dedicated right of way versus the public right of way, where bus service is located. While the rail system is less costly to operate daily when compared to bus operations and provides significant regional benefits, the rail system requires extensive capital expenditures on order to maintain operating standards. Over 80% of CTA's SOGR needs are associated with the rail system.

The chart below shows the flow of funds within the timespan of the five-year CIP. The RPM Phase One project being the largest capital investment to date and represents the greatest share of the investments.



CTA's largest capital investment to date is the RPM Phase One project totaling $2.1 billion. For a capital project of this magnitude to be undertaken, several unique capital funding sources are necessary to fund the project to completion. FTA Core Capacity funds were made available for this project. CTA entered into a Full Funding Grant Agreement (FFGA) with the FTA in January 2017 to secure $956.6 million for the project. CTA entered into an agreement with the City of Chicago to provide tax increment financing program funds from a newly created Tax Increment Financing (TIF) District, to fund repayment of an anticipated $622 million loan to cover project costs. The TIF was approved by the Chicago, City Council and specifically authorized by the Illinois state legislature for the RPM project. CTA will also provide funding of $417.7 million from internal sources, including proceeds of CTA bonds and some operating funds. Additionally, $10 million of the City's TIF funds and $125 million of federal Congestion Mitigation and Air Quality funding have been allocated for this project.



Competitive Grant Opportunities

With a growing backlog of assets that are not in a state of good repair based on existing capital funding levels, CTA has submitted grant applications requesting funding from a variety of federal and state competitive grant programs and continues to pursue funding opportunities from the following programs:

- **Congestion Mitigation Air Quality (CMAQ) Grant Program** – This federal program, administered by the Chicago Metropolitan Agency

for Planning (CMAP), funds surface transportation improvements designed to improve air quality and mitigate congestion.

The CTA applied for FY 2022-2026 CMAQ funding in the amount of $135,000,000 to support the construction of the Red Line Extension Project. The CTA Red Line Extension (RLE) Project will extend the Red Line south from the 95th Street Terminal to 130th Street in the City of Chicago in Cook County, Illinois. The proposed 5.6-mile heavy rail extension will include four new stations near 103rd Street, 111th Street, Michigan Avenue, and 130th Street. Each station will include new bus connections and parking facilities. The RLE project would also include a new railyard and shop near 120th Street. The RLE Project is a major component of CTA's Red Ahead program, a comprehensive initiative for maintaining, modernizing, and expanding Chicago's most traveled rail line.

The CTA applied for FY 2022-2026 CMAQ funding in the amount of $65,034,253 for the purchase of up to 48 forty-foot, battery-powered, zero-emission, all-electric, fully accessible, public transit buses and up to seven overhead chargers to power the electric buses.

- Cook County's "Invest in Cook" Program – "Invest in Cook" is Cook County's long range transportation plan and funding program where local and regional governments can apply for assistance to help fund the cost of planning and feasibility studies, engineering design, and construction improvements that advance the priorities set forth in the long-range transportation plan. CTA continues to seek funding when made available.

  In 2021, CTA was awarded $401,550 in funding for the Cicero Grand Crossing Enhancement Project, which will provide critical safety improvements at this grade crossing on the Pink Line.

- Department of Homeland Security (DHS) Transit Security Grant Program (TSGP) – This program provides competitive funding to public transportation agencies to protect critical high-risk surface transportation and the traveling public from acts of terrorism and to increase the resilience of transit infrastructure with eligibility based on daily ridership of transit systems serving key high-threat urban areas. It has identified critical infrastructure assets that are vital to the functionality and continuity of major high risk transit systems and whose incapacitation or destruction would have a debilitating effect on national security, public health, safety, or any combination thereof.

  In FY2021, CTA was awarded $13.9 million to protect the traveling public and critical transit infrastructure from acts of terrorism. The Chicago Police Department (CPD) acts as the primary security provider for CTA within the City of Chicago. CTA and CPD have entered into separate intergovernmental agreements for each TSGP award to certify the TSGP relationship between the two agencies and define how funding will be used to meet CPD's investment costs, reporting requirements, and other aspects of implementation.

- FTA Capital Investment Grant (Section 5309) Core Capacity Program – Core Capacity is a project category under the FTA Capital Investment Grant (CIG) Program. Core Capacity projects are substantial investments in existing fixed-guideway corridors that are at capacity today or will be in five years, where the proposed project will increase capacity by at least 10%.

  In 2017, FTA approved a Full Funding Grant Agreement (FFGA) for $956 million of Core Capacity funds for Phase One of the RPM project. This project was the first project awarded under this category. The FTA has already allocated $500 million of Core Capacity funds for the project with the remaining funds to be received in future years.

- FTA Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant Program (formerly BUILD or TIGER) – The RAISE Discretionary Grant program provides a unique opportunity for the DOT to invest in road, rail, transit and port projects that promise to achieve national objectives.

  CTA is seeking $25 million in FY21 RAISE funding for substations improvements to support both Electric Bus Improvements at CTA's 95th Street Terminal and the future Red Line Extension project. The 95th Street Terminal will be the launching point for CTA's Red Line Extension, a 5.6 mile expansion of the rail network into the south side of Chicago to enhance job access and transportation equity. Four new stations near 103rd Street, 111th Street, Michigan Avenue, and 130th Street will be constructed. Each station will include bus connections and parking facilities. The Project would also include a new railyard and shop near 120th Street.

- Low or No Emission Vehicle Deployment Program/Electric Buses – This program, authorized under the FAST Act, is a competitive program that finances the purchase or lease of zero-emission and low-emission transit buses, related equipment, and facilities with the purpose of supporting the transition of the nation's transit fleet to more energy efficient transit vehicles, thereby reducing local air pollution and direct carbon emission, and to support the deployment of technologically advanced U.S.-made transit buses.

  CTA is committed to continuing to replace its older diesel buses, currently in service, with battery-powered, zero-emission, all-electric buses with in-route charging capabilities.

  In FY 2021, CTA was awarded $6,988,646 in Low or No Emission grant funds to provide for the incremental costs of purchasing six fully accessible, 40-foot, battery electric buses, and to acquire charging equipment, to upgrade its bus depot, and provide workforce training. The electric buses will replace CTA's oldest diesel buses and will reduce greenhouse gases in communities that have experienced air pollution and other environmental health hazards, improving public health and quality of life. The new electric buses and the charging infrastructure will be located at CTA's 103rd Street Garage.

- Illinois Department of Transportation (IDOT)/Statewide Planning and Research Funds (SPR) – IDOT conducted a call for projects for SPR funded projects. All proposed projects should be related to further studying or implementing a goal, strategy, or objective within the State's Long-Range Transportation Plan or one of the Department's modal plans. IDOT evaluated projects based on their ability to further study or implement the Long-Range Transportation Plan or one of the Department's modal plans.

  In response to IDOT's call for projects, CTA submitted three applications for the following three projects: (1) Forest Glen Bus Garage Master Plan; (2) GIS Strategic Plan; and (3) TSP Road Map. CTA was awarded $300,000 for a consultant to do high level technical research for Transit Signal Priority (TSP) architecture and provide recommendations that will allow for a TSP system that works efficiently, effectively, and for the long-term.

- Pilot Program for Transit-Oriented Development (TOD) Planning - The Pilot Program for TOD Planning helps support FTA's mission of improving public transportation for America's communities by providing funding to local communities to integrate land use and transportation planning around a new fixed guideway or core capacity improvement project. Per statute, any comprehensive planning funded through the program must examine ways to improve economic development and ridership, foster multimodal connectivity and accessibility, improve transit access for pedestrian

and bicycle traffic, engage the private sector, identify infrastructure needs, and enable mixed-use development near transit stations.

The CTA is seeking $800,000 in FY21 TOD funding in partnership with the City of Chicago's Department of Planning and Development (DPD) for CTA's 95th Street Corridor Equitable Transit Oriented Development Plan.

If awarded, funding will be used to develop the 95th Street Corridor Equitable Transit Oriented Development (eTOD) Plan. The proposed corridor for this study is two miles long extending from Halsted Street on the west to Cottage Grove Avenue on the east. This comprehensive planning project will fully leverage the five multi-modal transit investments along and connecting to the corridor, which includes CTA's proposed Red Line Extension project, a recently completed state-of-the-art $280 million 95th Street Red Line Terminal Reconstruction project, Metra's 95th Street/Chicago State University station revitalization project, Pace's Pulse 95th Street Line, and CTA and Pace's proposed South Halsted Bus Improvements, including a Pace Pulse Halsted Line. If funded, the City of Chicago's Department of Planning and Development, as the land use agency, will lead the project with support from CTA and project stakeholders.

- Surface Transportation Program (STP) Shared Grant Fund – The shared fund, administered by CMAP, was established to support larger-scale regional projects that address regional performance measures and the goals of CMAP's ON TO 2050 plan. The programming authority distributed to the fund is derived from a set-aside of the region's annual allotment of STP-L funds. Project selection is a region-wide competitive process overseen by the STP Project Selection Committee.

  In prior years CTA received funding for Austin ASAP and a portion of Design for the Harlem Station Bus Bridge. CTA is waiting to hear if it will receive additional design funds for Harlem.

  CTA is seeking FY22-26 STP funds for the following projects: CTA's Bus Priority Zones, Dearborn Subway Waterproofing, Harlem Station Bus Bridge Reconstruction and Irving Park All Stations Accessibility Program (ASAP) Design.

- Areas of Persistent Poverty Program (AoPP) – This program supports FTA's strategic goals and objectives through the timely and efficient investment in public transportation. This program also supports the Biden-Harris Administration's agenda to mobilize American ingenuity to build modern infrastructure and an equitable, clean energy future. By supporting increased transit access for environmental justice (EJ) populations (see FTA Circular 4703.1), equity-focused community outreach, public engagement of underserved communities, adoption of equity-focused policies, reducing greenhouse gas emissions, and addressing the effects of climate change, FTA's Areas of Persistent Poverty Program advances the goals of Executive Order 13985: Advancing Racial Equity and Support for Underserved Communities Through the Federal Government; Executive Order 13990: Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis; and Executive Order 14008: Tackling the Climate Crisis at Home and Abroad.

  CTA is seeking $675,000 in FY21 AoPP grant funding in partnership with local stakeholders for a Locally-Led Engagement Strategy that would develop a plan for locally-led public engagement for CTA's Red Line Extension (RLE) project.

- Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan Program - This US DOT loan program provides financing for eligible transportation projects with savings from TIFIA financing coming from two primary sources: (1) CTA draws TIFIA funds on an "as needed" basis rather than accruing interest on funds before they are used and (2) the interest rate on this borrowing is set at a rate lower than traditional financing. TIFIA financing is a highly recommended form of borrowing as it makes financing projects more affordable and maximizes borrowing capacity.

  CTA has received TIFIA loans for three major capital projects. In 2014, CTA received its first TIFIA loan for $79.2 million as part of an overall $280 million funding package to renovate the Red Line's 95th Street Terminal. In 2015, CTA entered a second TIFIA loan for $120 million to support the $410.6 million Your New Blue Program. In 2016, CTA entered a third TIFIA loan for $254.9 million in funding as part of the $719.8 million project to purchase 400 new 7000-Series rail cars.

  In 2022, CTA will seek fourth TIFIA loan for $461M million as part of the funding the Red and Purple Modernization Project. The amount has been reduced from $622 million due to PayGo TIF funding already received.

- Unified Work Program (UWP) – In order to fulfill federal planning regulations, the UWP lists planning projects CMAP and other regional agencies undertake each year to enhance transportation in northeastern Illinois. The UWP is designed to run in conjunction with the State of Illinois' fiscal year timeline of July 1 to June 30. The final UWP document includes the transportation planning activities to be carried out in the region, detailing each project's description, scope, costs, and source of funding.

  In FY 2022, CTA was awarded core funding of $625,000 to support Program Development. This funding will facilitate efforts to coordinate the provision of capital projects for customers in CTA's service area and to identify projects within the Chicago-area regional five-year Transportation Improvement Program (TIP).

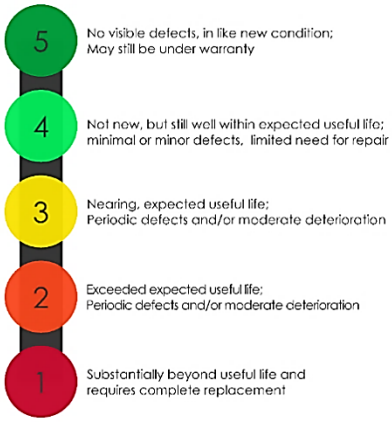
- USDOT Federal Highway Administration Office of Operations Advanced Transportation and Congestion Management Technologies Deployment (ATCMTD) Initiative – CTA, along with CDOT, are seeking FY21 funding to implement the Chicago Centralized Transit Signal Priority Project (CCTSP) program – an initiative to make transit service more reliable and efficient in Chicago. The anticipated total cost of the program is $8 million with $4 million in ATCMTD funding; CTA's shared match is $2 million. This program will leverage existing transportation and transit infrastructure, making modifications to communication and software systems to provide priority to transit buses at traffic signals along three pilot corridors in Chicago. The proposed system will eliminate the need for installation and maintenance of field equipment to detect buses. A modular design and a central system mimicking field detection allows for significant cost savings and easy implementation. These characteristics make this centralized TSP solution much more appealing to any large metropolitan area with a large transit fleet. The goal is to deploy a solution that can be readily replicated across the city, allowing for a more rapid adoption of TSP, which helps to provide faster and more reliable service to customers.

During FY2022-2026, CTA will continue to aggressively pursue additional funding under these competitive grant programs.

Transit Asset Management Plan Beginning with the Moving Ahead for Progress in the 21st Century ("MAP-21") transportation authorization bill passed in 2012, the FTA was directed to establish and implement a national Transit Asset Management (TAM) system, which entails the development of objective standards for measuring asset conditions and

requiring recipients of financial assistance to develop a Transit Asset Management Plan (TAMP).

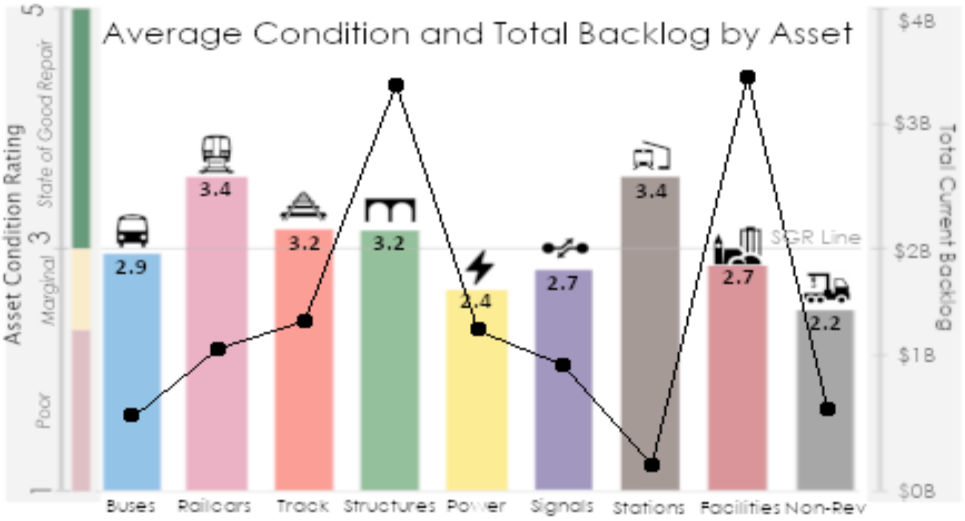
CTA established a TAM program both in response to new TAM federal mandates and because of the need to manage system conditions and performance within constrained resources. The TAM program entails the adoption of an organizational policy for TAM, the development of a TAMP, and ongoing efforts to improve the quality and availability of asset condition data and the impacts of deferred investment.



Assets are compared against a Useful Life Benchmark (ULB) for a given asset class, which reflects the expected useful lifespan of the asset when new. Assets beyond their ULB are at greater risk of failing and causing service disruptions.

As part of the TAM Program, asset condition is evaluated on a 1-5 scoring scale noted in the figure above. This scale aligns with FTA recommendations and facilitates comparisons across asset classes. An asset is in a state of good repair when the physical condition of that asset is at or above a rating of 2.5.

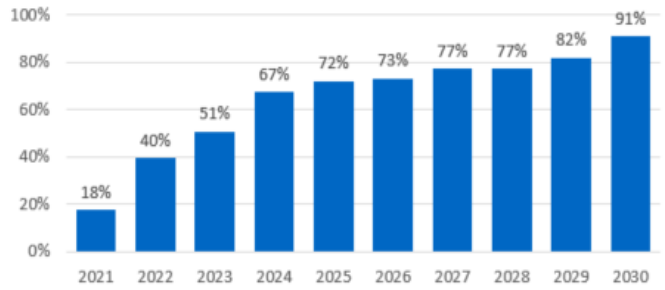
The state of assets can be demonstrated in various ways, condition ratings by asset type provides a brief assessment of the overall condition of assets where tracking backlog by asset type helps identify overdue investments needed to keep asset classes in a State of Good Repair (SGR) or from going beyond their Useful Life Benchmark (ULB).CTA's asset base is overall in acceptable condition on average however there are major investments overdue in several key asset classes including Infrastructure, Vehicles, Stations, and Facilities as shown in the graph below.



The following charts show how existing assets would age out and enter the backlog over the next 10 years if not renewed by capital investment.

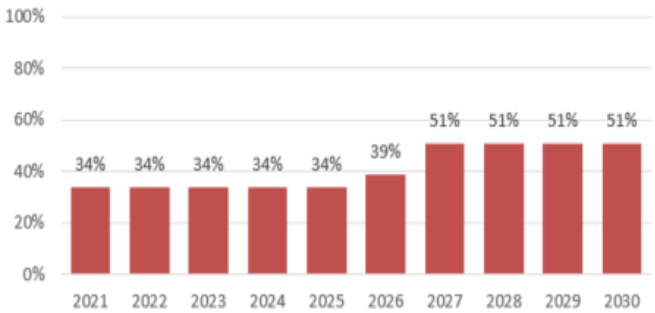
Buses

Approximately 73% of CTA's bus fleet will be due for replacement within the timespan of the five-year capital plan.



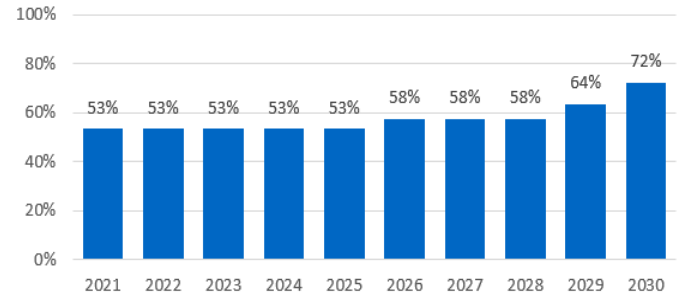
Rail Cars

An additional 17% of rail cars would age out over the next 10 years without replacement and over 50% of the fleet will be past its useful life.



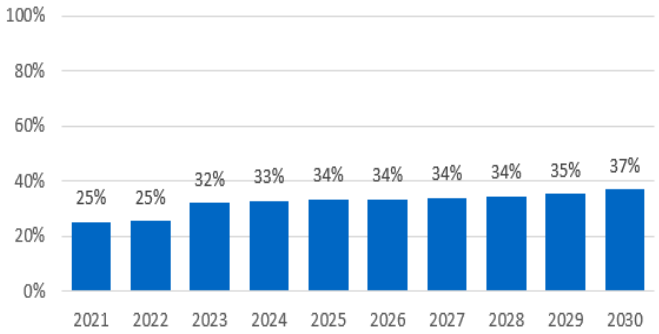
Signals

The number of Signal assets past their useful life is expected to steadily increase over the next 10 years from 53% to 72%.



Track

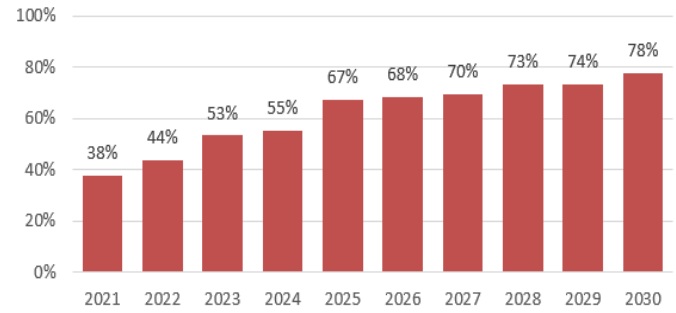
Systemwide track assets past their useful life is expected to increase by 9% within 5 years unless significant track renewals are undertaken.



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Power

38% of CTA's power assets are currently past their useful lives, and this figure will continue to climb up to 78% by 2030 without capital replacements.



History of the CTA

Before mass transit, Chicago was a "walking city," limited in size by an area its population could easily travel on foot or horseback. As the population of the settled area increased, the need for public transportation arose. These services were originally provided by private companies under public regulation.

The first public transportation vehicles in Chicago were horse-drawn carriages called omnibuses. The poor condition of the streets limited their utility, which led to the establishment of the first street railways in 1859, generally considered the earliest ancestor of today's transit system in Chicago.

The street railways were superior to the omnibuses in that their running on rails provided a smoother ride and made them less susceptible to street conditions. But horses were an expensive mode of power, and the street railway companies looked for more efficient ways to carry the growing number of commuters. Various power sources were tested, but after 1882 many higher-ridership horsecar lines were successfully converted to cable cars. After 1890, lines began to be converted to electric power; all trolleys in Chicago were electrically powered by 1906.



Increased traffic congestion, as well as rising population densities and demand for high-capacity transit, led to the construction of the city's first elevated railways. Chicago's first 'L' line, the Chicago and South Side Rapid Transit, opened on June 6, 1892. Two more companies whose lines served the West Side followed in 1893 and 1895; in 1897, the famous Loop elevated downtown was completed and acted as a common terminal for all the lines. By the turn of the century, an additional 'L' company serving the North Side opened. The first trains, powered by steam when they opened in 1892-93, were converted to electricity by 1898; all lines opened after 1895 were electric.



To attain greater efficiency and try to deal with lingering financial hardships, the 'L' and streetcar companies began to consolidate. In 1914, all streetcar companies began operating as a unified system known as the Chicago Surface Lines (CSL), despite remaining separate companies. At its peak, the Chicago Surface Lines system operated on 1,100 miles of track and was the largest and most heavily used streetcar system in the world.



Control of the four rapid transit 'L' companies was vested in a trust in 1911, which centralized some functions but left the underlying companies intact. As part of the greater coordination, free transfers between the companies' trains were allowed for the first time in 1913; this also marked the start of through-routing trains between the North and South sides. In 1924, the companies formally merged into the Chicago Rapid Transit Company (CRT).

Buses were first used in Chicago in 1917 by the Chicago Motor Bus Company; they became the Chicago Motor Coach Company (CMC) in 1922. The CMC's routes were limited to Chicago boulevards and parks, where streetcars were not allowed to operate. CSL began limited use of some motor buses in 1927 and trolley buses in 1930, primarily as extensions of the streetcar system into outlying areas. However, buses would play a limited role in mass transit in Chicago until after World War II.



Strained finances combined with the hardships of the Great Depression placed both the CRT and CSL in bankruptcy and receivership by the early 1930s. Development of Chicago's transit network continued, however, as federal Public Works Administration financing combined with transit-company funded city monies allowed construction of Chicago's first subway under State Street, opening in 1943. A second subway under Dearborn Street was started concurrently with the State Street Subway but mothballed during World War II; it was completed and opened in 1951.

Public ownership of Chicago's mass transit system began after the War, with the creation of the Chicago Transit Authority (CTA) by the Illinois legislature in 1945. CTA issued $105 million in revenue bonds to purchase assets of the CRT and CSL, and began operating the 'L' train, streetcar, and limited bus service in and around Chicago on October 1, 1947. On October 1, 1952, CTA became the sole operator of Chicago transit when it purchased the Chicago Motor Coach system.

The CTA – empowered to control its own fare levels and service patterns and issue bonds but receiving no subsidies and lacking taxing authority – immediately set about to unify the desperate private transit networks and modernize the system. Lightly used services were discontinued or modified, and new equipment was purchased to retire aging vehicles, some almost 50 years old. The last streetcars were retired in 1958, replaced by buses. By 1960, the 'L' and surface systems had been thoroughly modernized.





New 'L' lines were built and others modernized, many in partnership with the city Department of Public Works – these included the Congress branch in the median of the newly-built Congress Superhighway, the nation's first rapid transit line in the median of an expressway (opened 1958), the Dan Ryan Line (opened 1969), and the Kennedy Extension (opened 1970). In 1964, The CTA obtained federal demonstration project funding to create the first "light rail" service, the Skokie Swift, utilizing five miles of the former North Shore Line interurban, which was abandoned the previous year.

By the early 1970s, the popularity of car travel and declining ridership levels threatened the financial stability of the local public transit providers, including the CTA. To address these issues, the Illinois General Assembly created the Regional Transportation Authority (RTA) as a fiscal and policy oversight agency committed to providing an efficient and effective public transportation system. Today, the RTA continues to provide financial oversight to the CTA, Metra and Pace. The RTA was also empowered to levy taxes, providing the first subsidies for local mass transit operating expenses.

CTA's mission of modernization and expansion continued, with extensions to O'Hare Airport and Midway Airport opening in 1984 and 1993, respectively; these allowed Chicago to become one of the few cities in the world that has rail service to two major airports.

By the 1980s, much of the CTA's physical infrastructure was aging, some almost a century old, and a renewed focus was placed on rehabilitation, renovation, and good state of repair. This led to projects to replace or rebuild many bus garages and rail terminals, as well as major projects to renovate existing rail lines. These projects included the extensive rehabilitation or rebuilding of the Green Line in 1994-96, the Cermak branch (now part of the Pink Line) in 2001-05, the Dan Ryan branch of the Red Line in 2004-06 and 2013, and the Brown Line in 2004-2010.



The 2000s brought advances in technology that greatly enhanced CTA customers' experience and the efficiency of the transit system overall. In 2009 and 2011 respectively, CTA launched Bus Tracker and Train Tracker, allowing customers to access information online and via text messaging, and receive email notification of predicted arrival times and service alerts. CTA's latest model of rail car – the 5000-Series – went into service from 2010 through 2015. These advanced cars result in a smoother, more comfortable ride and provide both operational and maintenance efficiencies.



In 2014, CTA completed the transition to Ventra, a fare payment system built on open standards, enabling customers to pay using contactless bankcards and mobile phones. Ventra combines the convenience of a contactless card and an account-based system with the ability to have any type of fare value or pass – or both – on one card.

	Bus Operations	Bus Operations provides efficient, courteous, professional, safe, and reliable bus transportation. The 2022 department budget is $481.6M.
	Bus Maintenance	Bus Maintenance is responsible for the maintenance of the bus fleet, including mechanical maintenance and regular cleaning. The 2022 department budget is $203.2M.
	Rail Operations	Rail Operations provides efficient, courteous, professional, safe, and reliable rail transportation. The 2022 department budget is $154.1M.
	Rail Maintenance	Rail Maintenance is responsible for ensuring that CTA rapid transit cars are maintained in a safe, reliable, and aesthetic manner. This includes preventive maintenance, and regular cleaning of rail cars. The 2022 department budget is $127.2M.
	Rail Station Management	Rail Station Management is responsible for the general cleaning of rail stations, terminals, and bus turnarounds including garbage and snow removal. The 2022 department budget is $114.7M.
	Control Center	The Control Center manages all movement and communication throughout the system. Controllers monitor bus and rail service, safety for buses, trains and transit stops and power distribution. The 2022 department budget is $16.6M.
	Infrastructure	Infrastructure is comprised of 4 units: Maintenance, Construction, Engineering and Real Estate; and is responsible for maintenance of all infrastructure assets, management of CTA real estate, and the planning, design, and implementation of capital projects. The 2022 department budget is $241.4M.
	Security	Security is committed to fostering an agency-wide program that supports the security of customers, employees and CTA assets and complements the Authority's safety program. The 2022 department budget is $28.0M.
	Safety	Safety is committed to developing and continuously improving processes that support a robust safety culture in achieving the highest level of safety performance for customers and employees. The 2022 department budget is $7.4M.
	Purchasing & Supply Chain	Purchasing processes over 1,000 contracts covering hundreds of millions of dollars annually ensuring the most responsible use of CTA funds. Supply Chain is responsible for efficiently stocking, managing, and distributing materials and supplies for the organization. The 2022 department budget is $26.2M.
	Training & Workforce Development	Training & Workforce Development is responsible for creating and delivering learning opportunities to develop the CTA's workforce. The 2022 department budget is $25.9M.
	Human Resources	Human Resources strives to be the catalyst for optimizing people and organizational excellence. The department's responibilities are divided between HR Services, HR Operations and HR Projects. The 2022 department budget is $7.4M.
	EEO	EEO ensures CTA uses certified DBE's and does not discriminate in procurement, employment, or contracting services. The 2022 department budget is $3.2M.
	Diversity	Diversity manages DBE/SBE Certification, Small Business Development & Outreach, Contract Compliance and Workforce Initiatives which create an environment of diversity, equity and inclusion for contractors and other stakeholders. The 2022 department budget is $2.4M.
	Performance Management	The Performance Management department is responsible for developing performance metrics and reporting on operational performance against those metrics to ensure CTA is constantly striving for improved efficiency and enhanced customer experience. The 2022 department budget is $2.3M.
	Technology	Technology provides technology solutions and services to support the CTA and its riders. The 2022 department budget is $62.5M.

	Finance	Finance is responsible for a wide range of financial functions through its five primary business units: Budget & Capital Finance; Treasury; Financial Reporting; Revenue & Fare Systems and Accounting Systems & Payroll Operations. The 2022 department budget is $61.2M.
	Law	Law is responsibe for a wide range of legal functions such as: Corporate Law and Litigation; Labor and Employment; Compliance, Policy and Appeals; and orts, Subrogration and Workers Compensation. The 2022 department budget is $21.1M.
	Planning	Planning is responsible for short and long range planning functions including: bus and rail service planning and scheduling; strategic planning and ADA compliance. The 2022 department budget is $8.2M.
	Communications	Communications is responsible for communications and marketing that provide information to customers and has four units: Communications / Media Relations; Customer Information; Customer Service and Marketing. The 2022 department budget is $8.1M.
	Legislative Affairs & GCR	The Legislative Affairs department develops and advocates for initiatives that promote the legislative needs of the CTA. The department is also a resource for CTA employees, community organizations, elected officials and other units of local government. The 2022 department budget is $2.0M.
	Internal Audit	Internal Audit provides independent evaluation and improvement of risk management, internal control and governance processes.The 2022 department budget is $1.3M.
	Innovation	The Office of Innovation provides policy, research, and project management resources for innovative technology implementations, pilots, or proof of concepts across the agency. The 2022 budget is $0.8M
	Equity & Inclusion	Equity and Inclusion focuses on outreach and inclusion efforts with external organizations and communities. The 2022 department budget is $0.3M.
	Other Administrative	The Board of Directors, Office of the President, and other administrative costs including Debt Service, Provision for Injuries & Damages, and other budgeted authority-wide expenses are included in this category. The combined 2022 budget for these functions is $139.7M.

Debt Management Policy Guidelines

On October 14, 2004, the Chicago Transit Board approved an ordinance adopting Debt Management Policy Guidelines (the "Debt Policy"), which was amended on May 8, 2019. The Debt Policy serves as a management tool to ensure that the CTA identifies transactions that utilize debt in the most efficient manner and provides for full and timely repayment of all borrowings. Additionally, the Debt Policy outlines a means of achieving the lowest possible cost of capital within prudent risk parameters as well as ensuring ongoing access to the capital markets. The Debt Policy applies to all short- and long-term bonds and notes, direct borrowing programs, and other long-term lease obligations. The Debt Policy does not cover commodity hedging, leverage leases, long-term operating leases, short-term leases, and equipment leases. The general debt issuance guidelines outlined in the Debt Policy are summarized below.

The Debt Policy

It is the CTA's preference to use a pay-as-you-go (PAYGO) funding mechanism for all capital projects. As such, CTA explores the use of available cash to fund all or part of a capital improvement project and other long-term financial needs before proposing the use of debt. However, the CTA recognizes that the size, scope, and timing of projects in its capital improvement plan, cash flow sufficiency, and capital market opportunities may necessitate the use of debt. The Debt Policy allows for the issuance of either long-term or short-term debt. The financing purpose determines the type of debt the CTA would use.

Short-Term Debt Obligations

Short-term debt may be used by the CTA as a cash management tool to provide interim financing or to bridge temporary cash flow deficits within a fiscal year. As of October 1, 2021, CTA had $228.3 million of outstanding capital line of credit notes for certain capital projects. The notes will be repaid with long-term bonds or reimbursed with federal formula or state PAYGO funds based on the funding source of the project funded.

Long-Term Debt Obligations

The Debt Policy prohibits the use of long-term debt to fund operations. However, long-term bonds are deemed appropriate to finance essential capital activities and certain management initiatives. The CTA may also use long-term lease obligations to finance or refinance capital equipment. Prior to entering any lease financing, the Authority will evaluate three factors: the useful life of assets financed, the terms and conditions of the lease, and the budgetary, debt capacity, and tax implications.

Other Provisions

The CTA may secure credit enhancement in the form of municipal bond insurance or a letter/line of credit for all or a portion of each bond issue. The Debt Policy also allows the Authority to issue debt on either a taxable or tax-exempt basis. The debt policy also allows variable rate bonds up to 20 percent of outstanding long-term debt.

Debt Limitations

Attaining a proper balance between minimizing borrowing and maximizing financial flexibility is a key goal of the CTA debt program. The CTA is not subject to statutory debt limitations for capital investment.

Current Debt

CTA's current long-term debt obligations as of October 1, 2021 include sales and transfer tax receipts revenue bonds, sales tax receipts revenue bonds, capital grant receipts revenue bonds, building revenue bonds, and TIFIA loans as described below.

CTA Debt Obligations*

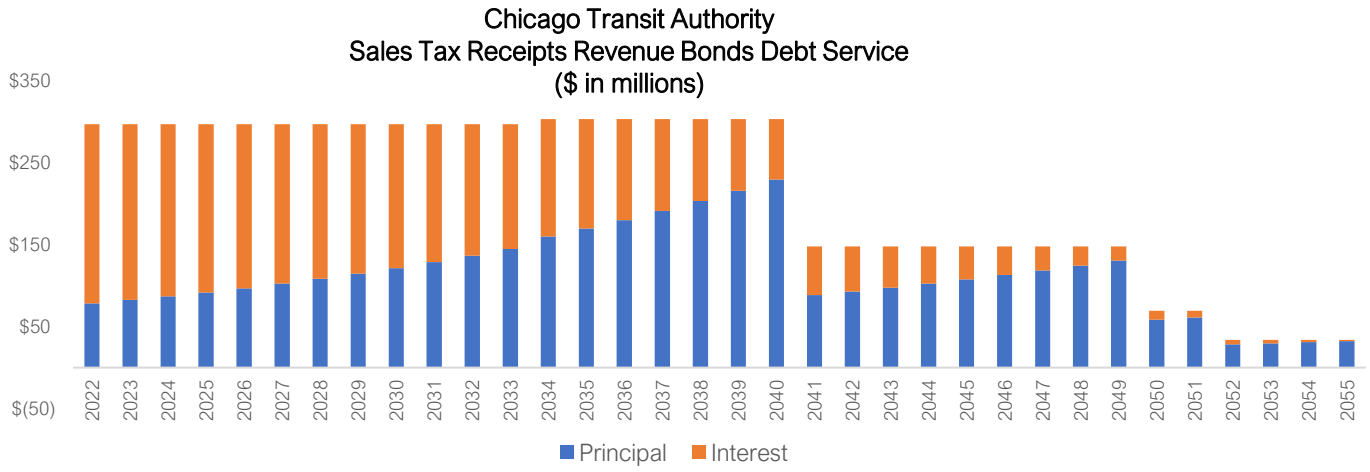
Credit	Series Name	Outstanding Principal as of 12/31/2021	Final Maturity	Security Pledge	Moody's Rating (Outlook)	S&P Rating (Outlook)	Fitch Rating (Outlook)	Kroll Rating (Outlook)
Sales Tax	Series 2008A and 2008B("POBs")	$1,630,620,000	2040	Sales Tax & Transfer Tax	A2(stable)	AA(stable)	NR	AA(stable)
	Series 2010B	$481,750,000	2040	Sales Tax	A2(stable)	AA(stable)	NR	AA(stable)
	Series 2014	$555,000,000	2049	Sales Tax	NR	AA(stable)	NR	AA(stable)
	Series 2017 (Second Lien)	$296,220,000	2051	Second Lien Sales Tax	NR	A+(stable)	NR	AA(stable)
	Series 2020A (Second Lien)	$367,895,000	2055	Second Lien Sales Tax	NR	A+(stable)	NR	AA(stable)
	Series 2020B	$534,005,000	2040	Sales Tax	NR	AA(stable)	NR	AA(stable)
	Total Principal Outstanding	**$3,865,490,000**						
GARVEEs	2017 5307	$90,540,000	2026	FTA 5307 Grant Receipts	NR	A(pos)	BBB(stable)	NR
	2021 5307	$99,325,000	2029	FTA 5307 Grant Receipts	NR	A(pos)	BBB(stable)	NR
	2015 5337	$44,400,000	2026	FTA 5337 Grant Receipts	NR	A+(stable)	BBB(stable)	NR
	2017 5337	$75,810,000	2026	FTA 5337 Grant Receipts	NR	A+(stable)	BBB(stable)	NR
	2021 5337	$21,650,000	2028	FTA 5337 Grant Receipts	NR	A+(stable)	BBB(stable)	NR
	Total Principal Outstanding	**$331,725,000**						
Capital Leases	2006 PBC Bonds	$55,105,000	2033	CTA Lease Payments	A3(stable)	A+(stable)	NR	NR
	Total Principal Outstanding	**$55,105,000**						
TIFIA**	95th Street Terminal (2014)	$79,200,000	2050	CTA Farebox Revenue	NR	A+(stable)	NR	NR
	Your New Blue (2015)	$120,000,000	2052	CTA Farebox Revenue	NR	A+(stable)	NR	AA-(neg)
	Railcars (2016)	$254,930,402	2056	CTA Farebox Revenue	NR	A+(stable)	NR	AA-(neg)
	Total TIFIA Loans	**$454,130,402**						
	Total Principal Outstanding (all issues)	**$4,706,450,402**						

** Based on bond portfolio as of 10/1/2021*

*** Principal reflects original principal amount (exclusive of accrued interest)*

Sales Tax Revenue Bonds

Sales Tax Revenue Bonds are long-term debt obligations secured by a portion of sales tax revenues. The Sales Tax Receipts consist of all amounts received by the CTA from the RTA, representing the CTA's share of (i) RTA Sales Taxes imposed through the Northeastern Illinois Transit Region, which includes the Counties of Cook, DuPage, Kane, Lake, McHenry, and Will; (ii) Replacement Revenues paid to the RTA by the State; and (iii) Public Transportation Fund Revenues paid to or on behalf of the RTA by the State. The sales tax pledge for the 2010B, 2014, and 2020B Series is parity to the sales tax pledge for the 2008A&B Series. The sales tax pledge for the 2017 and 2020A Series is subordinate to the sales tax pledge for the 2008A&B, 2010B, 2014, and 2020B Series. The 2008A&B Sales Tax Bonds (POBs) are also secured by Transfer Tax Receipts, which are a portion of real estate tax revenue remitted by the City directly to the CTA pursuant to the Intergovernmental Agreement. Transfer Tax Receipts do not secure the 2010B, 2014, 2017, 2020A, or 2020B Series Bonds.



Sales and Transfer Tax Receipts Revenue Bonds, 2008A Series (Pension Funding) and 2008B Series (Retiree Health Care Funding)

On August 6, 2008, the CTA issued Sales and Transfer Tax Receipts Revenue Bonds in the amount of $1.94 billion to fund the employee retirement plan and to create a retiree health care trust. The bonds were sold in two tranches: a $1.3 billion Series A to fund the employee retirement plan, and a $640 million Series B to fund a permanent trust that was established to cover other post-employment benefits for retiree health care. The bonds are secured primarily by a pledge of and lien on the Sales Tax Receipts Fund and the Transfer Tax Receipts Fund deposits. The bonds were issued pursuant to the pension and retiree health care reform requirements set forth in Public Acts 94-839 and 95-0708.

Public Act 94-839 required the CTA to make contributions to its retirement system in an amount which, together with the contributions of its participants, interest earned on investments, and other income, was sufficient to bring the total assets of the retirement system up to 90 percent of its total actuarial liabilities by the end of fiscal year 2059. Additionally, Public Act 94-839 required that the Retirement Plan's pension and retiree health care programs be separated into two distinct trusts by December 31, 2008.

Under amendments to the Pension Code adopted by the Illinois General Assembly in 2008, the funding of the Retirement Plan is also subject to the following requirements:

- For each year through 2039, the estimated "funded ratio" of the Retirement Plan, which is the actuarial value of assets divided by the actuarial accrued liability, expressed as a percentage, must be at least 60 percent. If the funded ratio is projected to decline below 60 percent in any year before 2040, increased contributions will be required each year as a level percentage of payroll over the years ntil 2040 so that the funded ratio does not decline below 60 percent.
- If the funded ratio declines below 60 percent in any year prior to 2040, increased contributions will be required each year as a level percentage of payroll during the years after the then current year so that the funded ratio is projected to reach at least 60 percent no later than 10 years after the then current year.
- Beginning in 2040, the minimum annual contribution to the Retirement Plan must be sufficient to bring the funded ratio to 90 percent by the end of 2059.
- Beginning in 2060, the minimum contribution must be an amount necessary to maintain the funded ratio at 90 percent.
- Two-thirds of any increase in required contributions is to be paid by the Authority and one-third by participating employees.

Any deviation from the stated projections could result in a directive from the State of Illinois Auditor General to increase the CTA and employee contributions.

Public Act 95-708 authorized the CTA to issue $1.9 billion in pension obligation bonds to fund the pension and retiree health care and provided that the CTA will have no future responsibility for retiree healthcare costs after the bond funding. In accordance with Public Act 95-708, all retiree healthcare benefits were to be paid from the newly established Retiree Health Care Trust no earlier than January 1, 2009 but no later than July 1, 2009.

The Series 2008A and 2008B bonds are taxable bonds and bear interest ranging from 5.1 percent to 6.9 percent. Scheduled interest on the 2008A and 2008B bonds was funded through June 1, 2009 and June 1, 2010, respectively, with bond proceeds and interest earnings thereon. Interest is payable semi-annually on June 1 and December 1, and the bonds mature serially on December 1, 2013 through December 1, 2040.

SCHEDULE I: $1,936,855,000 Sales and Transfer Tax Receipts Revenue Bonds (Public Acts 94-839 and 95-0708) Series 2008A and 2008B Total Debt Service 2022-2040*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)
2022	44,080,000	112,496,474	156,576,474	1,586,540,000
2023	47,120,000	109,455,395	156,575,395	1,539,420,000
2024	50,370,000	106,204,586	156,574,586	1,489,050,000
2025	53,845,000	102,729,560	156,574,560	1,435,205,000
2026	57,560,000	99,014,793	156,574,793	1,377,645,000
2027	61,530,000	95,043,729	156,573,729	1,316,115,000
2028	65,775,000	90,798,774	156,573,774	1,250,340,000
2029	70,310,000	86,260,957	156,570,957	1,180,030,000
2030	75,165,000	81,410,270	156,575,270	1,104,865,000
2031	80,350,000	76,224,636	156,574,636	1,024,515,000
2032	85,895,000	70,681,290	156,576,290	938,620,000
2033	91,820,000	64,755,394	156,575,394	846,800,000
2034	98,150,000	58,420,732	156,570,732	748,650,000
2035	104,925,000	51,649,364	156,574,364	643,725,000
2036	112,165,000	44,410,588	156,575,588	531,560,000
2037	119,905,000	36,672,324	156,577,324	411,655,000
2038	128,170,000	28,400,078	156,570,078	283,485,000
2039	137,015,000	19,557,630	156,572,630	146,470,000
2040	146,470,000	10,104,965	156,574,965	0
Total:	$1,630,620,000	$1,344,291,539	$2,974,911,539	

** Based on CTA debt portfolio as of 10/1/2021*

Sales Tax Receipts Revenue Bonds, Series 2010A and Taxable Series 2010B (Build America Bonds)

On April 6, 2010, the CTA issued Sales Tax Receipts Revenue Bond Series 2010A and Taxable Series 2010B (Build America Bonds) in the amount of $550 million to fund or reimburse the Authority for prior expenditures of the "2010 Project," capitalize a portion of interest on the bonds, fund a portion of the consolidated debt service reserve fund on the bonds, and to pay costs of issuance on the bonds. The Series 2010B Bonds were issued as bonds designated as "Build America Bonds" under the provisions of the American Recovery and Reinvestment Act of 2009. The 2010 Project means, collectively, capital improvements to the transportation system and specifically the purchase of rail cars, rail car overhaul and rehabilitation, and the replacement and upgrade of rail track and structure.

SCHEDULE II: $505,355,000 Sales Tax Receipts Revenue Bonds Series 2010B Total Debt Service 2022-2040*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)
2022	12,720,000	29,583,085	42,303,085	469,030,000
2023	13,405,000	28,900,021	42,305,021	455,625,000
2024	14,135,000	28,166,767	42,301,767	441,490,000
2025	14,930,000	27,372,380	42,302,380	426,560,000
2026	15,855,000	26,446,720	42,301,720	410,705,000
2027	16,835,000	25,463,710	42,298,710	393,870,000
2028	17,880,000	24,419,940	42,299,940	375,990,000
2029	18,985,000	23,311,380	42,296,380	357,005,000
2030	20,155,000	22,134,310	42,289,310	336,850,000
2031	21,400,000	20,884,700	42,284,700	315,450,000
2032	22,725,000	19,557,900	42,282,900	292,725,000
2033	24,135,000	18,148,950	42,283,950	268,590,000
2034	31,820,000	16,652,580	48,472,580	236,770,000
2035	33,785,000	14,679,740	48,464,740	202,985,000
2036	35,875,000	12,585,070	48,460,070	167,110,000
2037	38,090,000	10,360,820	48,450,820	129,020,000
2038	40,455,000	7,999,240	48,454,240	88,565,000
2039	42,955,000	5,491,030	48,446,030	45,610,000
2040	45,610,000	2,827,820	48,437,820	0
Total:	$481,750,000	$364,986,163	$846,736,163	

** Based on CTA debt portfolio as of 10/1/2021*

The Series 2010A bonds fully matured on December 1, 2019. The Taxable Series 2010B bonds bear interest ranging from 5.07 percent to 6.20 percent with interest payable semi-annually on June 1 and December 1, commencing December 1, 2010. Further, CTA pays 35 percent of the Build America Bond interest directly from a federal subsidy CTA receives from the federal government, however, this subsidy is subject to a sequestration rate reduction of 5.7% for federal fiscal years 2021-2030. The Taxable Series 2010B bonds mature annually each December 1, 2020 through December 1, 2040.

2014 Sales Tax Receipts Revenue Bonds

On July 10, 2014, CTA issued the Sales Tax Receipts Revenue Bonds, Series 2014, in the amount of $555,000,000, along with a premium of $45,153,612. The bonds were issued to pay for the (i) purchase of rail cars to replace existing cars and (ii) financing of any other capital project designated by the CTA Board as part of the 2014 project. The Series 2014 bonds bear interest ranging from 5 percent to 5.25 percent. Scheduled interest on the 2014 bonds was funded through June 1, 2016 with proceeds of the 2014 bonds and interest thereon. Interest is payable semiannually on June 1 and December 1, and the bonds mature annually on December 1, 2041 through December 1, 2049.

SCHEDULE III: $555,000,000 Sales Tax Receipts Revenue Bonds Series 2014 Total Debt Service 2022-2049*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2022	0	28,596,788	28,596,788	555,000,000
2023	0	28,596,788	28,596,788	555,000,000
2024	0	28,596,788	28,596,788	555,000,000
2025	0	28,596,788	28,596,788	555,000,000
2026	0	28,596,788	28,596,788	555,000,000
2027	0	28,596,788	28,596,788	555,000,000
2028	0	28,596,788	28,596,788	555,000,000
2029	0	28,596,788	28,596,788	555,000,000
2030	0	28,596,788	28,596,788	555,000,000
2031	0	28,596,788	28,596,788	555,000,000
2032	0	28,596,788	28,596,788	555,000,000
2033	0	28,596,788	28,596,788	555,000,000
2034	0	28,596,788	28,596,788	555,000,000
2035	0	28,596,788	28,596,788	555,000,000
2036	0	28,596,788	28,596,788	555,000,000
2037	0	28,596,788	28,596,788	555,000,000
2038	0	28,596,788	28,596,788	555,000,000
2039	0	28,596,788	28,596,788	555,000,000
2040	0	28,596,788	28,596,788	555,000,000
2041	50,180,000	28,596,788	78,776,788	504,820,000
2042	52,690,000	26,087,788	78,777,788	452,130,000
2043	55,325,000	23,453,288	78,778,288	396,805,000
2044	58,090,000	20,687,038	78,777,038	338,715,000
2045	60,995,000	17,782,538	78,777,538	277,720,000
2046	64,195,000	14,580,300	78,775,300	213,525,000
2047	67,565,000	11,210,063	78,775,063	145,960,000
2048	71,115,000	7,662,900	78,777,900	74,845,000
2049	74,845,000	3,929,363	78,774,363	0
Total:	$555,000,000	$697,329,038	$1,252,329,038	

** Based on CTA debt portfolio as of 10/1/2021*

2017 Sales Tax Receipts Subordinate Revenue Bonds

On January 24, 2017, CTA issued the Sales Tax Receipts Subordinate Revenue Bonds, Series 2017, in the amount of $296,220,000, along with a premium of $18,107,618. The Series 2017 bonds are subordinate to the Sales Tax Bonds Series 2008A&B, Series 2010B, Series 2014, and Series 2020B. The Series 2017 bonds were issued to pay for projects included in the Capital Improvement Plan. The Series 2017 bonds bear interest ranging from 4 percent to 5 percent. Scheduled interest on the 2017 bonds was funded through December 1, 2018 with proceeds of the 2017 bonds and interest thereon. Interest is payable semiannually on June 1 and December 1, and the bonds mature annually on December 1, 2041 through December 1, 2051.

SCHEDULE V: $296,220,000 Sales Tax Receipts Revenue Bonds Subordinate Series 2017 Total Debt Service 2022-2051				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2022	0	14,711,000	14,711,000	296,220,000
2023	0	14,711,000	14,711,000	296,220,000
2024	0	14,711,000	14,711,000	296,220,000
2025	0	14,711,000	14,711,000	296,220,000
2026	0	14,711,000	14,711,000	296,220,000
2027	0	14,711,000	14,711,000	296,220,000
2028	0	14,711,000	14,711,000	296,220,000
2029	0	14,711,000	14,711,000	296,220,000
2030	0	14,711,000	14,711,000	296,220,000
2031	0	14,711,000	14,711,000	296,220,000
2032	0	14,711,000	14,711,000	296,220,000
2033	0	14,711,000	14,711,000	296,220,000
2034	0	14,711,000	14,711,000	296,220,000
2035	0	14,711,000	14,711,000	296,220,000
2036	0	14,711,000	14,711,000	296,220,000
2037	0	14,711,000	14,711,000	296,220,000
2038	0	14,711,000	14,711,000	296,220,000
2039	0	14,711,000	14,711,000	296,220,000
2040	0	14,711,000	14,711,000	296,220,000
2041	20,910,000	14,711,000	35,621,000	275,310,000
2042	21,945,000	13,680,600	35,625,600	253,365,000
2043	23,025,000	12,599,000	35,624,000	230,340,000
2044	24,160,000	11,464,050	35,624,050	206,180,000
2045	25,350,000	10,273,000	35,623,000	180,830,000
2046	26,600,000	9,023,150	35,623,150	154,230,000
2047	27,910,000	7,711,500	35,621,500	126,320,000
2048	29,310,000	6,316,000	35,626,000	97,010,000
2049	30,775,000	4,850,500	35,625,500	66,235,000
2050	32,310,000	3,311,750	35,621,750	33,925,000
2051	33,925,000	1,696,250	35,621,250	0
Total:	$296,220,000	$375,145,800	$671,365,800	

** Based on CTA debt portfolio as of 10/1/2021*

2020B Sales Tax Receipts Revenue Refunding Bonds (Taxable)

On September 3, 2020, CTA issued the Sales Tax Receipts Revenue Refunding Bonds, Series 2020B (Taxable) in the amount of $534,005,000. The Series 2020B bonds were issued to refund outstanding Sales Tax Receipts Revenue Bonds Series 2011. The Series 2020B bonds bear interest ranging from 1.71 percent to 3.91 percent. Scheduled interest on the 2020B bonds was funded through June 1, 2021 with proceeds of the 2020B bonds and interest thereon. Interest is payable semiannually on June 1 and December 1, and the bonds mature annually on December 1, 2022 through December 1, 2040.

SCHEDULE IV: $534,005,000 Sales Tax Receipts Revenue Bonds Series 2020B Total Debt Service 2022-2040				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2022	21,795,000	17,214,337	39,009,337	512,210,000
2023	22,170,000	16,842,078	39,012,078	490,040,000
2024	22,590,000	16,434,594	39,024,594	467,450,000
2025	23,060,000	15,968,336	39,028,336	444,390,000
2026	23,565,000	15,457,788	39,022,788	420,825,000
2027	24,160,000	14,873,140	39,033,140	396,665,000
2028	24,825,000	14,213,330	39,038,330	371,840,000
2029	25,560,000	13,480,496	39,040,496	346,280,000
2030	26,345,000	12,700,405	39,045,405	319,935,000
2031	27,175,000	11,883,183	39,058,183	292,760,000
2032	28,075,000	10,985,865	39,060,865	264,685,000
2033	29,030,000	10,030,753	39,060,753	235,655,000
2034	30,055,000	9,014,123	39,069,123	205,600,000
2035	31,130,000	7,946,569	39,076,569	174,470,000
2036	32,255,000	6,825,266	39,080,266	142,215,000
2037	33,525,000	5,563,451	39,088,451	108,690,000
2038	34,845,000	4,251,953	39,096,953	73,845,000
2039	36,210,000	2,888,816	39,098,816	37,635,000
2040	37,635,000	1,472,281	39,107,281	0
Total:	$534,005,000	$208,046,764	$ 742,051,764	

2020A Sales Tax Receipts Subordinate Revenue Bonds

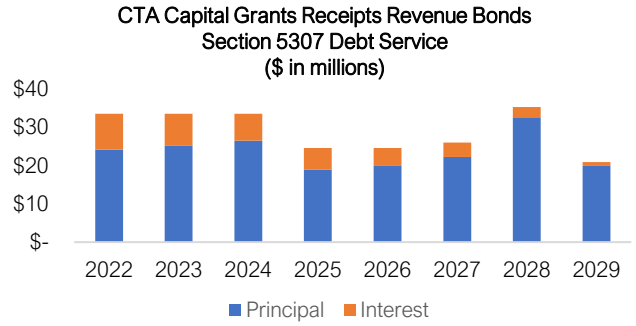
On September 3, 2020, CTA issued the Sales Tax Receipts Subordinate Revenue Bonds, Series 2020A in the amount of $367,895,000, along with a premium of $43,580,139. The Series 2020A bonds are subordinate to the Sales Tax Bonds Series 2008A&B, Series 2010B, Series 2014, and Series 2020B. The Series 2020A bonds were issued to pay for projects included in the Capital Improvement Plan and repay a portion of CTA's Second Lien Sales Tax Receipts Capital Improvement Notes. The Series 2020A bonds bear interest ranging from 4 percent to 5 percent. Scheduled interest on the 2020A bonds was funded through September 1, 2023 with proceeds of the 2020A bonds and interest thereon. Interest is payable semiannually on June 1 and December 1, and the bonds mature annually on December 1, 2041 through December 1, 2055.

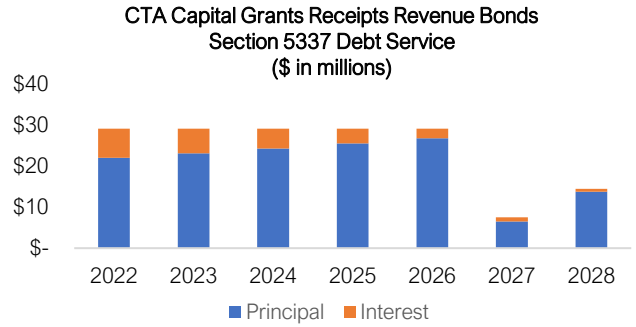
SCHEDULE VI: $367,895,000 Sales Tax Receipts Revenue Bonds Subordinate Series 2020A Total Debt Service 2022-2055				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2022	0	0	0	367,895,000
2023	0	4,069,713	4,069,713	367,895,000
2024	0	16,278,850	16,278,850	367,895,000
2025	0	16,278,850	16,278,850	367,895,000
2026	0	16,278,850	16,278,850	367,895,000
2027	0	16,278,850	16,278,850	367,895,000
2028	0	16,278,850	16,278,850	367,895,000
2029	0	16,278,850	16,278,850	367,895,000
2030	0	16,278,850	16,278,850	367,895,000
2031	0	16,278,850	16,278,850	367,895,000
2032	0	16,278,850	16,278,850	367,895,000
2033	0	16,278,850	16,278,850	367,895,000
2034	0	16,278,850	16,278,850	367,895,000
2035	0	16,278,850	16,278,850	367,895,000
2036	0	16,278,850	16,278,850	367,895,000
2037	0	16,278,850	16,278,850	367,895,000
2038	0	16,278,850	16,278,850	367,895,000
2039	0	16,278,850	16,278,850	367,895,000
2040	0	16,278,850	16,278,850	367,895,000
2041	17,590,000	16,278,850	33,868,850	350,305,000
2042	18,470,000	15,399,350	33,869,350	331,835,000
2043	19,395,000	14,475,850	33,870,850	312,440,000
2044	20,360,000	13,506,100	33,866,100	292,080,000
2045	21,380,000	12,488,100	33,868,100	270,700,000
2046	22,450,000	11,419,100	33,869,100	248,250,000
2047	23,345,000	10,521,100	33,866,100	224,905,000
2048	24,280,000	9,587,300	33,867,300	200,625,000
2049	25,250,000	8,616,100	33,866,100	175,375,000
2050	26,265,000	7,606,100	33,871,100	149,110,000
2051	27,315,000	6,555,500	33,870,500	121,795,000
2052	28,515,000	5,355,900	33,870,900	93,280,000
2053	29,765,000	4,102,950	33,867,950	63,515,000
2054	31,075,000	2,794,450	33,869,450	32,440,000
2055	32,440,000	1,427,600	33,867,600	0
Total:	$367,895,000	$420,944,513	$788,839,513	

** Based on CTA debt portfolio as of 10/1/2021*

Capital Grant Receipt Revenue Bonds – Section 5307 and Section 5337 (5309) Formula Funds

Capital Grant Revenue Bonds, also known as "GARVEEs" (Grant Anticipation Revenue Vehicles). Federal Transit Administration Formula Funds from Section 5307 and Section 5309 secure the Capital Grant Receipt Revenue Bonds under Section 5307 and Section 5309, respectively. The passage of MAP-21 in 2012 replaced Section 5309 grants with Section 5337 grants. All debt service obligations are prefunded and paid by capital funds. The outstanding bonds are detailed below.





Capital Grant Receipts Revenue Bonds, Refunding Series 2015 (5307 and 5337)

On September 16, 2015, CTA issued the tax-exempt Capital Grant Receipts Revenue Bonds backed by the pledge of Federal Transit Administration Section 5307 Urbanized Area Formula Funds, and Section 5337 State of Good Repair Formula Funds in the total amount of $176,920,000, along with a premium of $21,568,633. The Series 2015 5307 bonds fully matured on June 1, 2021. The Series 2015 5337 bonds refunded the maturities date June 1, 2024 through 2026 of the 5337 Series 2008A bonds. The Series 2015 5337 bonds bear interest of 5.0 percent. Interest is payable semiannually on June 1 and December 1, and the bonds mature serially from June 1, 2018 to June 1, 2026.

SCHEDULE VII: $45,650,000 Capital Grant Receipts Revenue Bonds
(FTA Section 5337 State of Good Repair Formula Funds)
Refunding Series 2015 Debt Service 2022-2026

PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2022	350,000	2,220,000	2,570,000	44,050,000
2023	370,000	2,202,500	2,572,500	43,680,000
2024	13,855,000	2,184,000	16,039,000	29,825,000
2025	14,550,000	1,491,250	16,041,250	15,275,000
2026	15,275,000	763,750	16,038,750	0
Total:	**$44,400,000**	**$8,861,500**	**$53,261,500**	

** Based on CTA debt portfolio as of 10/1/2021*

Capital Grant Receipts Revenue Bonds, Refunding Series 2017 (5307 and 5337)

On August 16, 2017, CTA issued tax-exempt Capital Grant Receipts Revenue Bonds backed by the pledge of Federal Transit Administration Section 5307 Urbanized Area Formula Funds, and Section 5337 State of Good Repair Formula Funds in the total amount of $225,795,000, along with a premium of $31,278,763. The bonds were issued to provide funds refunding the Series 2008A 5307 bonds maturing June 1, 2022 through 2026 as well as refunding the Series 2008 5337 bonds maturing June 1, 2019 through 2026 and the Series 2008A 5337 bonds maturing June 1, 2019 through 2023. The Series 2017 bonds bear interest ranging from 2 percent to 5 percent. Interest is payable semiannually on June 1 and December 1, and the bonds mature serially from June 1, 2018 to June 1, 2026.

SCHEDULE VIII: $90,540,000 Capital Grant Receipts Revenue Bonds
(FTA Section 5307 Urbanized Area Formula Funds)
Refunding Series 2017 Debt Service 2022-2026

PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2022	16,385,000	4,527,000	20,912,000	74,155,000
2023	17,205,000	3,707,750	20,912,750	56,950,000
2024	18,065,000	2,847,500	20,912,500	38,885,000
2025	18,970,000	1,944,250	20,914,250	19,915,000
2026	19,915,000	995,750	20,910,750	0
Total:	**$90,540,000**	**$14,022,250**	**$104,562,250**	

** Based on CTA debt portfolio as of 10/1/2021*

SCHEDULE IX: $135,225 Capital Grant Receipts Revenue Bonds
(FTA Section 5337 State of Good Repair Formula Funds)
Refunding Series 2017 Debt Service 2022-2026

PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2022	21,405,000	3,790,500	25,195,500	54,405,000
2023	22,475,000	2,720,250	25,195,250	31,930,000
2024	10,130,000	1,596,500	11,726,500	21,800,000
2025	10,635,000	1,090,000	11,725,000	11,165,000
2026	11,165,000	558,250	11,723,250	0
Total:	**$75,810,000**	**$9,755,500**	**$85,565,500**	

** Based on CTA debt portfolio as of 10/1/2021*

Capital Grant Receipts Revenue Bonds, Refunding Series 2021 (5307 and 5337)

On June 10, 2021, CTA issued tax-exempt Capital Grant Receipts Revenue Bonds backed by the pledge of Federal Transit Administration Section 5307 Urbanized Area Formula Funds, and Section 5337 State of Good Repair Formula Funds in the total amount of $120,975,000, along with a premium of $27,846,166. The bonds were issued to provide funds refunding the Series 2010 5307 bonds maturing June 1, 2027 through 2028, Series 2011 5307 bonds maturing June 1, 2022 through 2029, and Series 2010 5309 bonds maturing June 1, 2027 through 2028. The Series 2021 bonds bear interest at 5 percent. Interest is payable semiannually on June 1 and December 1, and the bonds mature serially from June 1, 2022 to June 1, 2029.

SCHEDULE X: $99,325,000 Capital Grant Receipts Revenue Bonds (FTA Section 5307 Urbanized Area Formula Funds) Refunding Series 2021 Debt Service 2022-2029				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2022	7,810,000	4,842,094	12,652,094	91,515,000
2023	8,070,000	4,575,750	12,645,750	83,445,000
2024	8,475,000	4,172,250	12,647,250	74,970,000
2025	0	3,748,500	3,748,500	74,970,000
2026	0	3,748,500	3,748,500	74,970,000
2027	22,295,000	3,748,500	26,043,500	52,675,000
2028	32,700,000	2,633,750	35,333,750	19,975,000
2029	19,975,000	998,750	20,973,750	0
Total:	$99,325,000	$28,468,094	$127,793,094	

** Based on CTA debt portfolio as of 10/1/2021*

SCHEDULE XI: $21,650,000 Capital Grant Receipts Revenue Bonds (FTA Section 5337 State of Good Repair Formula Funds) Refunding Series 2021 Debt Service 2022-2028				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31) *
2022	285,000	1,055,438	1,340,438	21,365,000
2023	270,000	1,068,250	1,338,250	21,095,000
2024	285,000	1,054,750	1,339,750	20,810,000
2025	300,000	1,040,500	1,340,500	20,510,000
2026	315,000	1,025,500	1,340,500	20,195,000
2027	6,465,000	1,009,750	7,474,750	13,730,000
2028	13,730,000	686,500	14,416,500	0
Total:	$21,650,000	$5,244,438	$6,699,438	

** Based on CTA debt portfolio as of 10/1/2021*

TIFIA Loans

The Federal government passed the Transportation Infrastructure Finance and Innovation Act (TIFIA) in 1998 to provide federal credit assistance to surface transportation public entities wishing to advance qualified, large-scale surface transportation projects that might otherwise be delayed because of size, complexity, or uncertainty over the timing of revenues.

TIFIA financing is a highly recommended form of government borrowing because it improves the affordability of the debt and maximizes borrowing capacity. TIFIA loans are provided through the United States Department of Transportation (U.S. DOT) and allow municipalities to secure a loan at interest rates equal to the federal government's rate, which has been 1.0-1.5 percent lower than traditional financing, and saves additional interest costs. Municipalities are also able to draw TIFIA funds on an "as needed" basis during a project, similar to a line of credit, and do not have to pay interest on funds that are issued all at once, further saving interest costs.

A TIFIA loan must not exceed one-third of the reasonably anticipated Eligible Project Total Costs, and the total federal funding for the project, inclusive of the TIFIA Loan and all federal direct or indirect grants, shall not exceed eighty percent (80 percent) of reasonably anticipated Eligible Project Costs. TIFIA loans can be secured by a variety of sources, depending on the transportation system. CTA currently has three TIFIA loans and is applying for a fourth. All current CTA TIFIA loans are secured by CTA Farebox Receipts.

TIFIA Loan 1 – 2014 95th Street Terminal Improvement Project

On April 24, 2014, CTA entered into a definitive loan agreement with U.S. DOT acting by and through the Federal Highway Administration under the TIFIA loan program. The principal amount of the TIFIA Loan shall not exceed $79,200,000 or 33 percent of reasonably anticipated Eligible Project Costs for the 95th Street Terminal Improvement Project. As evidence of CTA's obligation to repay the TIFIA Loan, CTA has issued to the lender a registered farebox receipts revenue bond in the amount of $79.2 million dated April 24, 2014. The TIFIA loan matures annually beginning December 1, 2020 through December 1, 2050 bearing an interest rate of 3.5 percent. The TIFIA loan was fully drawn as of September 2018. The final loan amortization and debt service schedule is provided below. The TIFIA loan is estimated to save the CTA approximately $20 million.

SCHEDULE XII: 79,200,000 TIFIA Loan 1 - 2014 95th Street Terminal Improvement Project				
PAYMENT YEAR	PRINCIPAL PAYMENT**	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2022	1,662,994	2,846,843	4,509,837	79,675,370
2023	1,721,199	2,788,638	4,509,837	77,954,171
2024	1,781,441	2,728,396	4,509,837	76,172,731
2025	1,843,791	2,666,046	4,509,837	74,328,940
2026	1,908,324	2,601,513	4,509,837	72,420,616
2027	1,975,115	2,534,722	4,509,837	70,445,501
2028	2,044,244	2,465,593	4,509,837	68,401,256
2029	2,115,793	2,394,044	4,509,837	66,285,464
2030	2,189,845	2,319,991	4,509,837	64,095,618
2031	2,266,490	2,243,347	4,509,837	61,829,128
2032	2,345,817	2,164,019	4,509,837	59,483,311
2033	2,427,921	2,081,916	4,509,837	57,055,390
2034	2,512,898	1,996,939	4,509,837	54,542,492
2035	2,600,849	1,908,987	4,509,837	51,941,643
2036	2,691,879	1,817,957	4,509,837	49,249,763
2037	2,786,095	1,723,742	4,509,837	46,463,668
2038	2,883,608	1,626,228	4,509,837	43,580,060
2039	2,984,535	1,525,302	4,509,837	40,595,525
2040	3,088,993	1,420,843	4,509,837	37,506,532
2041	3,197,108	1,312,729	4,509,837	34,309,424
2042	3,309,007	1,200,830	4,509,837	31,000,417
2043	3,424,822	1,085,015	4,509,837	27,575,595
2044	3,544,691	965,146	4,509,837	24,030,904
2045	3,668,755	841,082	4,509,837	20,362,149
2046	3,797,162	712,675	4,509,837	16,564,987
2047	3,930,062	579,775	4,509,837	12,634,925
2048	4,067,614	442,222	4,509,837	8,567,311
2049	4,209,981	299,856	4,509,837	4,357,330
2050	4,357,330	152,507	4,509,837	0
Total:	$81,338,364	$49,446,901	$130,785,265	

** Based on CTA debt portfolio as of 10/1/2021*
***Includes original principal amount and payment of accrued interest*

TIFIA Loan 2 – 2015 Your New Blue Improvement Project

On February 3, 2015, CTA entered into a definitive loan agreement with the U.S. DOT acting by and through the Federal Highway Administration under the TIFIA loan program. The principal amount of the Your New Blue TIFIA Loan is an aggregate total not to exceed $120,000,000, in two tranches (Series 2015A-1 for $42,631,692 and Series 2015A-2 for $77,368,308) or 33 percent of reasonably anticipated Eligible Project Costs for the Your New Blue Improvement Project. As evidence of CTA's obligation to repay the TIFIA Loan, CTA issued to the lender two registered farebox receipts revenue bonds in the following amounts: Series 2015A-1 Bond for $42,631,692 with a final maturity date of December 1, 2029 bearing an interest rate of 2.02 percent and Series 2015A-2 Bond for $77,368,308 with a final maturity date of December 1, 2052 bearing an interest rate of 2.31 percent. The estimated loan amortization and service schedule is provided below. Once the funds

are fully drawn, the final debt service schedule will be provided. For this project, TIFIA financing is estimated to save the CTA approximately $50 million.

SCHEDULE XIII: 120,000,000 TIFIA Loan 2 - 2015 Your New Blue Improvement Project				
PAYMENT YEAR	PRINCIPAL PAYMENT**	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2022	0	1,701,764	1,918,222	120,106,395
2023	0	2,451,868	2,573,233	120,106,395
2024	6,771,693	2,650,517	9,422,210	113,334,702
2025	6,908,481	2,513,729	9,422,210	106,426,221
2026	7,048,032	2,374,178	9,422,210	99,378,189
2027	7,190,403	2,231,808	9,422,210	92,187,786
2028	7,335,649	2,086,561	9,422,210	84,852,137
2029	7,483,829	1,938,381	9,422,210	77,368,308
2030	0	1,787,208	1,787,208	77,368,308
2031	0	1,787,208	1,787,208	77,368,308
2032	0	1,787,208	1,787,208	77,368,308
2033	0	1,787,208	1,787,208	77,368,308
2034	0	1,787,208	1,787,208	77,368,308
2035	0	1,787,208	1,787,208	77,368,308
2036	0	1,787,208	1,787,208	77,368,308
2037	0	1,787,208	1,787,208	77,368,308
2038	0	1,787,208	1,787,208	77,368,308
2039	0	1,787,208	1,787,208	77,368,308
2040	0	1,787,208	1,787,208	77,368,308
2041	5,668,703	1,787,208	7,455,910	71,699,606
2042	5,799,650	1,656,261	7,455,910	65,899,956
2043	5,933,621	1,522,289	7,455,910	59,966,335
2044	6,070,688	1,385,222	7,455,910	53,895,647
2045	6,210,921	1,244,989	7,455,910	47,684,726
2046	6,354,393	1,101,517	7,455,910	41,330,332
2047	6,501,180	954,731	7,455,910	34,829,153
2048	6,651,357	804,553	7,455,910	28,177,796
2049	6,805,003	650,907	7,455,910	21,372,792
2050	6,962,199	493,712	7,455,910	14,410,593
2051	7,123,026	332,885	7,455,910	7,287,568
2052	7,287,568	168,343	7,455,910	0
Total:	$120,106,395	$49,710,710	$170,154,929	

** Based on CTA debt portfolio as of 10/1/2021*
***Includes original principal amount and payment of accrued interest*

TIFIA Loan 3 – 2016 Rail Cars

On March 30, 2016, CTA entered into a third definitive loan agreement with the U.S. DOT and through the Federal Highway Administration under the TIFIA loan program to finance certain projects that are part of CTA's Rail Car Purchase Program. The principal amount of the Rail Cars TIFIA Loan is an aggregate total not to exceed $254,930,402, in two tranches (Series 2016A-1 for $147,018,363 and Series 2016A-2 for $107,912,039) or 33 percent of reasonably anticipated Eligible Project Costs for the new rail cars.

As evidence of CTA's obligation to repay the TIFIA Loan, CTA issued to the lender two registered farebox receipts revenue bonds in the following amounts (Series 2016A-1 Bond for $147,018,363 with a final maturity date of December 1, 2049 bearing an interest rate of 2.64 percent and Series 2016A-2 Bond for $107,912,039 with a final maturity date of December 1, 2056 bearing an interest rate of 2.64 percent). The estimated loan amortization and debt service schedule is provided below. Once the funds are drawn down for the redevelopment project, the final debt service schedule will be provided. For this project, TIFIA financing is estimated to save the CTA approximately $100 million.

SCHEDULE XIV: 254,930,402 TIFIA Loan 3 - 2016 CTA Rail Fleet Replacement Project				
PAYMENT YEAR	PRINCIPAL PAYMENT**	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2022	0	2,894,741	2,894,741	275,146,072
2023	0	3,927,647	3,927,647	275,146,072
2024	0	3,927,647	3,927,647	275,146,072
2025	0	3,927,647	3,927,647	275,146,072
2026	0	3,927,647	3,927,647	275,146,072
2027	0	7,263,856	7,263,856	275,146,072
2028	0	7,263,856	7,263,856	275,146,072
2029	0	7,263,856	7,263,856	275,146,072
2030	4,174,447	7,263,856	11,438,304	270,971,625
2031	4,554,723	7,153,651	11,708,373	266,416,903
2032	4,945,037	7,033,406	11,978,443	261,471,866
2033	5,345,656	6,902,857	12,248,513	256,126,210
2034	5,756,851	6,761,732	12,518,583	250,369,359
2035	6,448,971	6,609,751	13,058,723	243,920,387
2036	6,619,224	6,439,498	13,058,723	237,301,163
2037	10,609,887	6,264,751	16,874,637	226,691,276
2038	11,119,389	5,984,650	17,104,039	215,571,887
2039	11,642,343	5,691,098	17,333,441	203,929,544
2040	12,449,173	5,383,740	17,832,913	191,480,371
2041	13,007,233	5,055,082	18,062,314	178,473,139
2042	13,809,427	4,711,691	18,521,118	164,663,711
2043	14,173,996	4,347,122	18,521,118	150,489,716
2044	14,777,591	3,972,928	18,750,520	135,712,124
2045	15,167,720	3,582,800	18,750,520	120,544,405
2046	15,568,147	3,182,372	18,750,520	104,976,257
2047	16,208,548	2,771,373	18,979,922	88,767,709
2048	16,636,454	2,343,468	18,979,922	72,131,255
2049	17,075,656	1,904,265	18,979,922	55,055,598
2050	7,263,801	1,453,468	8,717,268	47,791,798
2051	7,455,565	1,261,703	8,717,268	40,336,233
2052	7,652,392	1,064,877	8,717,268	32,683,841
2053	7,854,415	862,853	8,717,268	24,829,426
2054	8,061,772	655,497	8,717,268	16,767,654
2055	8,274,602	442,666	8,717,268	8,493,052
2056	8,493,052	224,217	8,717,268	0
Total:	$275,146,072	$149,722,271	$424,868,344	

** Based on CTA debt portfolio as of 10/1/2021*
***Includes original principal amount and payment of accrued interest*

Lease Agreements

The CTA executed several economically advantaged lease agreements. These agreements were entered into with various third parties and pertain to certain assets of the CTA, including facilities, buses and related parts and equipment. Under the lease financings, the CTA executed a long-term lease for applicable assets with trusts established by equity investors – trusts which concurrently leased the respective assets back to CTA under sublease agreements. Each sublease contains a fixed date and a fixed price purchase option that allows the CTA, at its option, to purchase the assets back from the lessor.

Public Building Commission Lease (2003/2006)

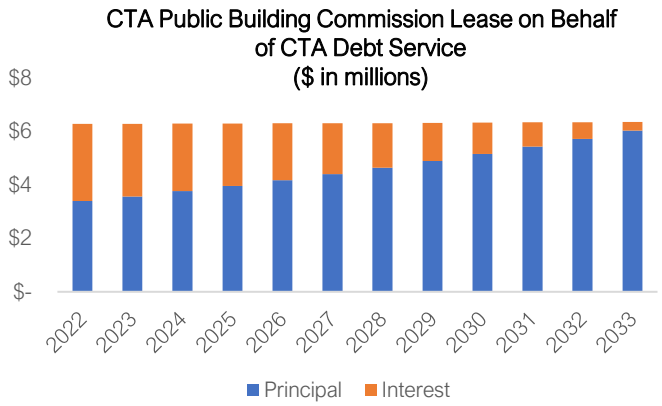
On October 26, 2006, the Public Building Commission of Chicago (PBC) issued $91.3 million of Building Revenue Refunding Bonds for the benefit of the CTA to refund the amount outstanding originally issued in 2003. The proceeds of the bonds were used to advance refund to the PBC, Series 2003 bonds. The original, executed lease in connection with the Series 2003 bonds was amended accordingly.

The PBC used the proceeds of the 2003 bonds, among other things, to acquire the site for and construct a 12-story office building. The PBC leased the building to the CTA to be used as CTA headquarters. Rent payments due to the PBC from the CTA under the lease are general obligations of the CTA payable from any lawfully available funds. Upon satisfaction of all the obligations of the CTA under the lease and payment, or provision for payment, of the PBC Bonds in full, the PBC will transfer title of the leased premises to the CTA.

The CTA is obligated to pay to the Trustee on behalf of the PBC on or before February 15 of each year in which the headquarters lease is in effect, rent which equals the debt service on the PBC bonds due through and including September 1 of that calendar year.

SCHEDULE XV: $91,340,000 Building Revenue Bonds Series 2006 Lease Payment Schedule 2020-2033 (Public Building Commission on behalf of Chicago Transit Authority)				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2022	3,390,000	2,799,788	6,189,788	51,715,000
2023	3,565,000	2,621,456	6,186,456	48,150,000
2024	3,760,000	2,429,175	6,189,175	44,390,000
2025	3,960,000	2,226,525	6,186,525	40,430,000
2026	4,175,000	2,012,981	6,187,981	36,255,000
2027	4,400,000	1,787,888	6,187,888	31,855,000
2028	4,635,000	1,550,719	6,185,719	27,220,000
2029	4,890,000	1,300,688	6,190,688	22,330,000
2030	5,150,000	1,037,138	6,187,138	17,180,000
2031	5,430,000	759,413	6,189,413	11,750,000
2032	5,720,000	466,725	6,186,725	6,030,000
2033	6,030,000	158,288	6,188,288	0
Total:	$55,105,000	$19,150,784	$74,255,784	

** Based on CTA debt portfolio as of 10/1/2021*



Economic Indicators

CTA's ridership and revenues are heavily influenced by overall local employment levels, economic spending, and relative transportation costs. The local labor market and commuting costs are, in turn, influenced by national economic conditions with ridership and public funding trends providing additional context for national economic conditions.

Prior to the COVID-19 pandemic, growing employment levels combined with high downtown parking costs increase the relative value of public transportation. As a result of the COVID-19 pandemic that began in March 2020, local and national employment levels initially retracted substantially, and the unemployment rate was near historical highs, which helped trigger an economic recession. In the early phase of the pandemic, stay-at-home mandates and quarantine measures were enacted at the state and local level for non-essential activities to help slow the spread of COVID-19. This led to a substantial increase in telework and procurement of online services, which reduced trips taken across all transportation modes, sharply reducing gas prices and transit ridership. Additional mobility alternatives have also impacted CTA ridership. While ridership has begun to grow with the reopening of the economy and return to school, it is still significantly below 2019 levels.

Prior to the COVID-19 pandemic, the number of visitors coming to Chicago increased substantially in the last few years, with a record 60 million visitors to the city in 2019, an increase of 4.5 percent over 2018. Visitors have a positive impact on ridership and local sales tax revenue and can be seen at stations near major attractions during the summer months. As the economy began to gradually reopen, local and national employment levels along with visitors began to rebound as well.

Employment Levels

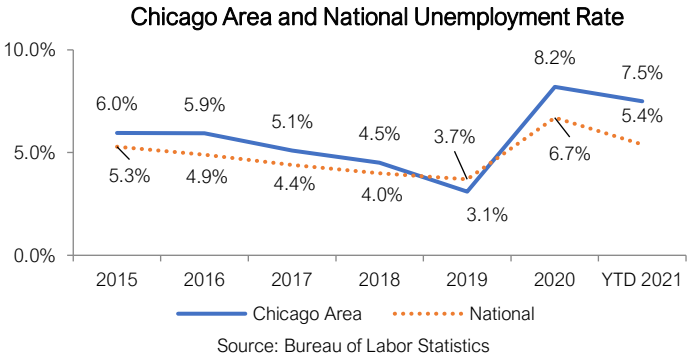
The seasonally adjusted non-farm employment in the Chicago metropolitan area decreased slightly to a monthly average of 4,399,000 through July 2021. While local non-farm employment is at the highest level since the start of the pandemic, it is still slightly below 2019 local employment levels and national level of 2.9 percent for 2021.

Average Monthly Non-Farm Employment 2017-2021 (seasonally adjusted in thousands)	2017	2018	2019	2020	2021
National	146,595	148,893	150,900	142,252	144,576
% Change	1.6%	1.6%	1.3%	-5.7%	1.6%
Chicago Area	4,694	4,731	4,759	4,405	4,399
% Change	0.9%	0.8%	0.6%	-7.4%	-0.1%

Source: Bureau of Labor Statistics

Unemployment Rate

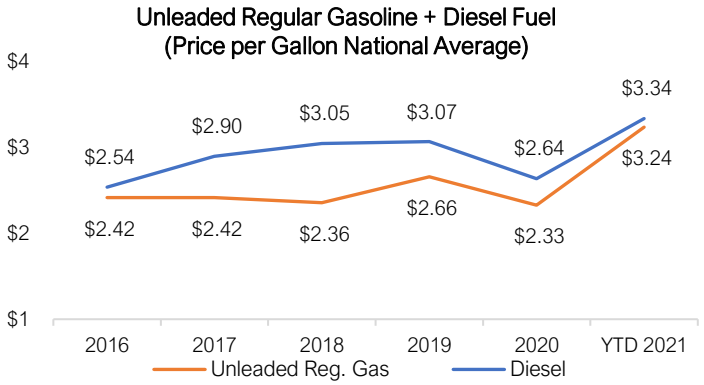
The Chicago metropolitan area seasonally adjusted unemployment rate averaged 7.5 percent through July 2021, a decrease of 0.7 percentage points compared to 2020. The national average of 5.4 percent decreased by 1.3 percentage points compared to 2020.



Source: Bureau of Labor Statistics

Fuel Prices

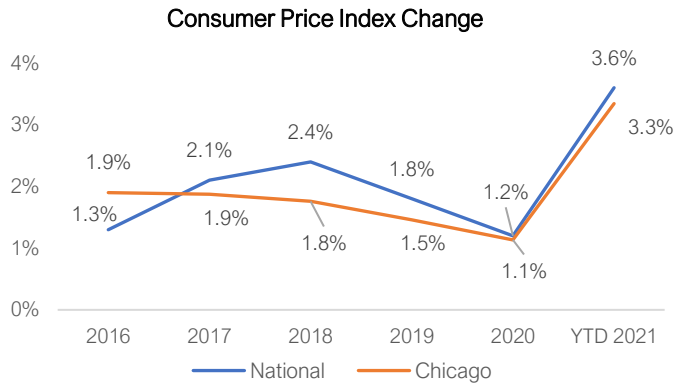
Nationally, consumer gas prices rose each year from 2016-2019, reaching average cost of $3.07 per gallon. In March of 2020, consumer gas prices retracted substantially as a result of the recession caused by the COVID-19 pandemic, reaching a low average price of $1.87 in April 2020 before gradually increasing throughout the year to $2.33 in December 2020. Diesel fuel prices rose each year from 2016-2019, reaching average cost of $3.07 per gallon at the end of 2019, before retreating to $2.64 by the end of 2020. Year-to-date for 2021 has seen diesel prices reach a five year high of $3.34 per gallon.



Source: US Energy Information Administration

Consumer Price Index (CPI)

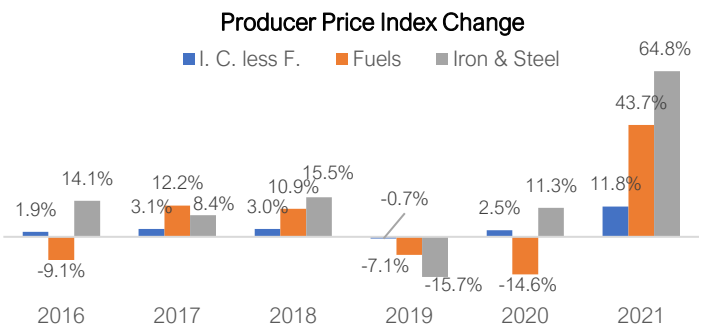
The CPI measures the average change over time in the prices paid by urban consumers for a fixed set of goods and services. An increase in the index means consumers pay more to buy the same goods and services. Through July 2021, the national CPI increased by 2.4 percentage points to 3.6 percent, while the Chicago-area CPI increased by 2.2 percentage points to 3.3 percent compared to 2020, largely driven by increased economic inflation caused by the COVID-19 pandemic.



Source: Bureau of Labor Statistics

Producer Price Index (PPI)

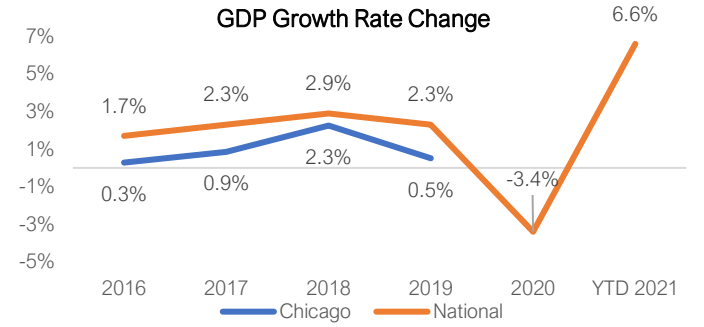
The PPI measures average changes in prices received by domestic producers for their output. Three commodity categories are selected for trend illustration: industrial commodities less fuel, fuel, and iron and steel. From 2020-2021, industrial commodities increased 11.8 percent, fuel increased 43.7 percent, and Iron and steel has increased by 64.8 percent. The year-over-year increases with these commodities are largely attributed to decreased demand during the recession caused by COVID-19 pandemic in 2020 and the increase in demand in 2021 as the economy continues to recover and reopen.



Source: Bureau of Labor Statistics

Gross Domestic Product (GDP)

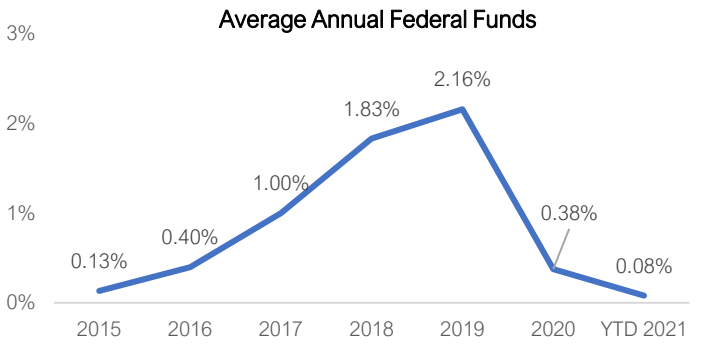
GDP measures the value of goods and services produced in an area each year. National GDP has been growing each year since 2010 before contracting substantially in March 2020 due to the economic recession as a result of the COVID-19 pandemic. From 2018-2019, the Chicago Metropolitan Area experienced a 0.5 percent growth rate, which is lower than the 2.3 percent growth rate nationally.



Source: Bureau of Economic Analysis

Federal Funds Rate (FFR)

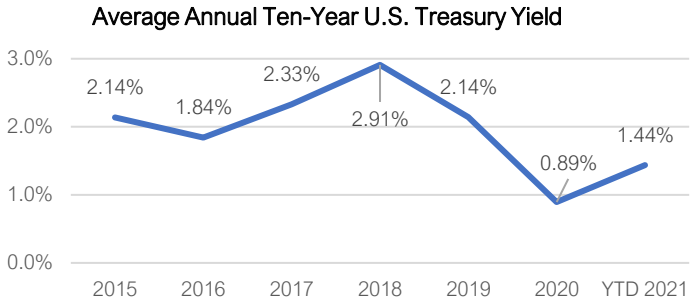
The FFR is the interest rate at which banks lend balances at the Federal Reserve to other depository institutions and the Federal Open Market Committee (FOMC) is tasked with setting a target for the FFR. In March of 2020, the FOMC decreased the FFR twice, first by 50 basis points to a target range of 1.00-1.25 percent, then again by 100 basis points to a target range of 0-0.25 percent. The ongoing COVID-19 pandemic will weigh heavily on economic activity, employment, and inflation in the near term, and poses considerable risks to the economic outlook over the medium term. The FOMC has decided to maintain the current target range at 0-0.25 percent and expects to maintain this range until it is confident that the economy has weathered recent events and is on track to achieve its maximum employment and price stability goals.



Source: Board of Governors of the Federal Reserve System

Ten-Year U.S. Treasury Yield

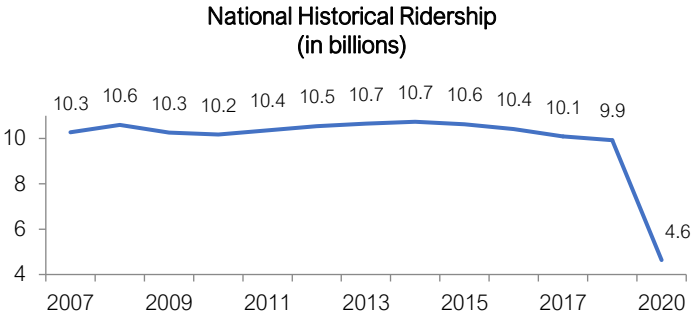
The Ten-Year Treasury note is the most frequently quoted security for analysis of the U.S. government. In February 2020, the 10-year yield peaked at 1.76 percent and at the beginning of the economic recession due to the COVID-19 pandemic in March 2020, yields had fallen to 0.66 percent by April and remained below 1.0 percent through 2020. The Ten-Year yield has increased gradually throughout 2021 and as of September 2021, the yield is at 1.32 percent.



Source: US Department of Treasury

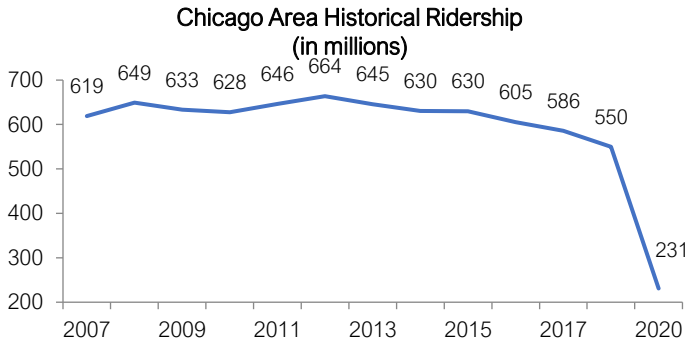
Historical Ridership

Over the last 20 years, national transit ridership has been trending up despite dips associated with recessions in the 2000's and in 2020, with ridership reaching a high of 10.7 billion trips in 2014. Since then, ridership has retracted each year due to historically low gas prices, additional mobility competitors in many areas, and the COVID-19 pandemic.



Source: American Public Transportation Association

Transit ridership in the Chicago region was trending upward from the early 2000's and peaked in 2012 with 664 million trips taken. Since then, ridership has decreased 65 percent due to new mobility competitors, demographic changes, and the COVID-19 pandemic in 2020.



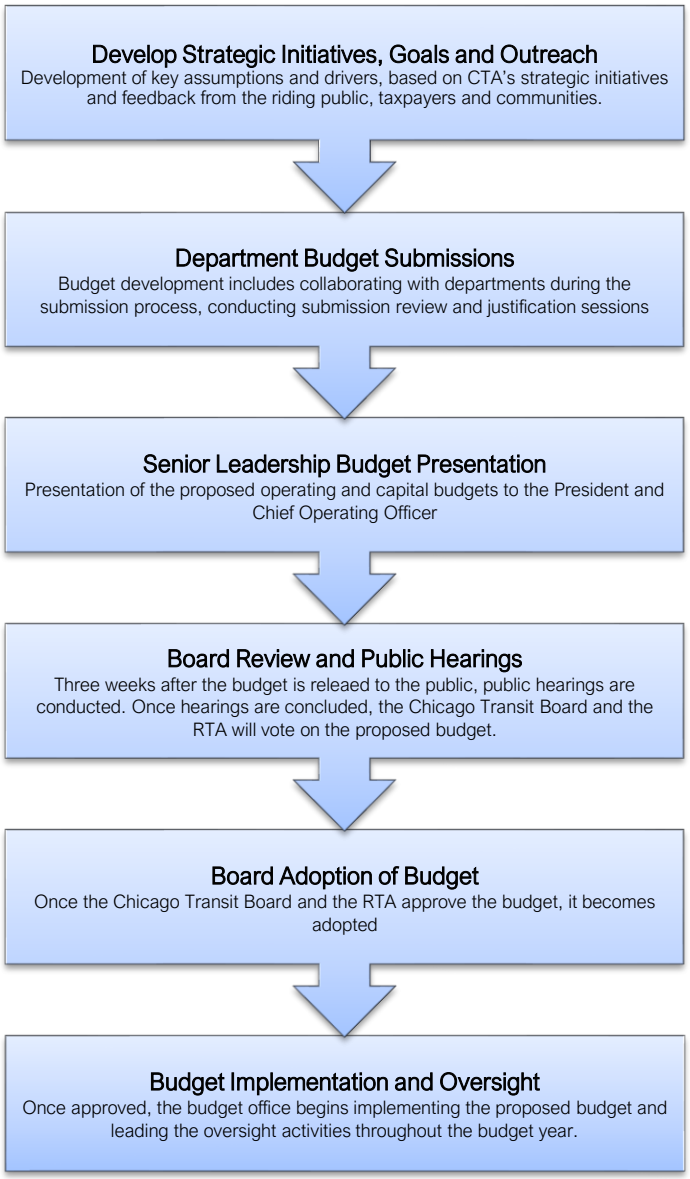
Source: American Public Transportation Association

Annual Budget Process

The Regional Transportation Authority (RTA) Act requires the RTA Board to adopt an annual budget and two-year financial plan, a strategic plan, and a five-year capital program. The budgetary process contains three phases: budget development, budget adoption, and budget execution and administration.

Budget Development Process

The CTA's annual budget development process serves as the foundation for its financial planning and control. The Chief Financial Officer and staff prepare and submit the budget to the Board of Directors for consideration and approval. The annual budget includes both the operating and capital budgets. It is the responsibility of each department to adhere to approved spending levels and manage its operations efficiently and in alignment with CTA's goals and programs authorized by the Board. The budget development process is a collaborative effort and includes the following phases:



RTA Statutory Requirements for Budget Approval

The RTA Board adopts the proposed budget and plan upon the approval of 12 of the RTA's 16 directors. If the budget meets the RTA's criteria, which are identified in the RTA Act and outlined below, then the RTA is required to adopt the budget. If the RTA Board does not approve the budget, the RTA Board cannot release any funds for the periods covered by the budget and two-year financial plan, except the proceeds of sales taxes due by the statutory formula to the CTA, until the budget conforms to the criteria specified in the Act.

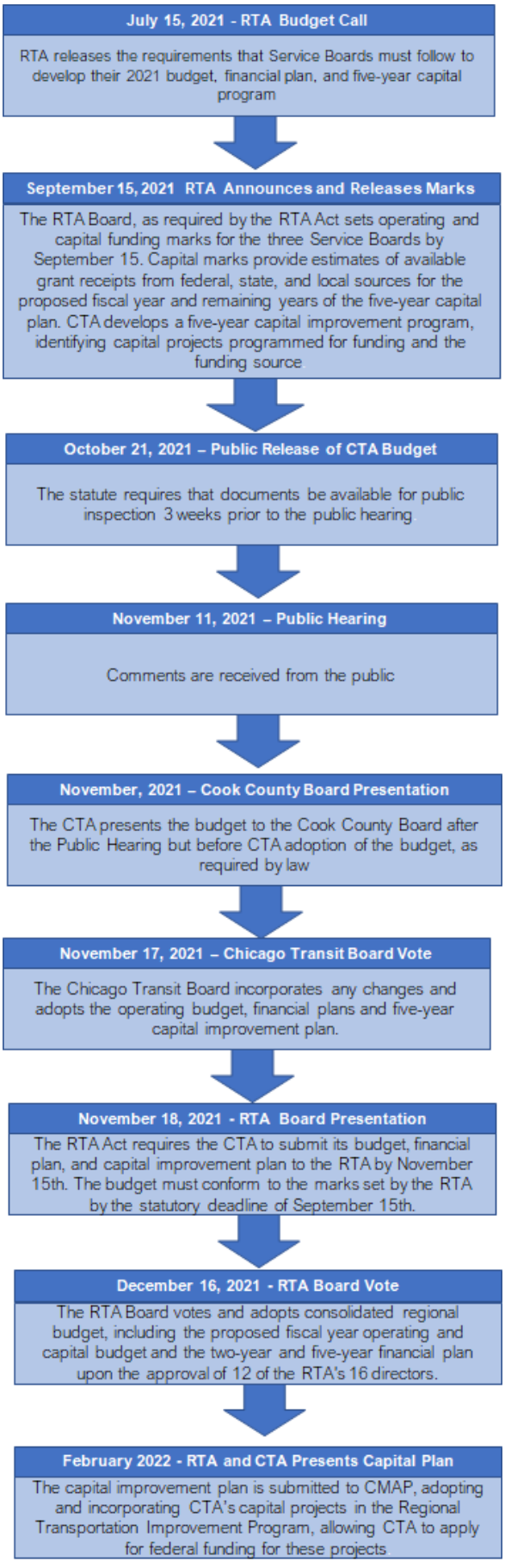
The RTA's criteria for budget and plan approval are:

1. **Balanced Budget:** The budget and plan show a balance between (A) anticipated revenues from all sources including operating subsidies and (B) the costs of providing the services specified and of funding any operating deficits or encumbrances incurred in prior periods, including provision for payment when due of principal and interest of outstanding indebtedness.
2. **Cash Flow:** The budget and plan show cash balances, including the proceeds of any anticipated cash flow borrowing sufficient to pay with reasonable promptness all costs and expenses incurred.
3. **Recovery Ratio:** The budget and plan provide a level of fares or other system generated revenues against operating or administrative costs for the public transportation provided to meet or exceed the requirement.
4. **Assumptions:** The budget and plan are based upon and employ assumptions and projections, which are reasonable and prudent.
5. **Financial Practices:** The budget and plan have been prepared in accordance with sound financial practices as determined by the RTA Board.
6. **Other Requirements:** The budget and plan meet such other financial, budgetary, or fiscal requirements that the RTA Board may by rule or regulation establish.
7. **Strategic Plan:** The budget and plan are consistent with the goals and objectives adopted by the RTA Board in the Strategic Plan.
8. **Capital Budget:** The capital improvement plan submitted to the RTA outlines projects, including budgets, schedules, and funding sources and are eligible for Federal and RTA funding and meet all requirements.

Budget Execution and Administration

After the proposed budget and financial plan are adopted, the budget execution and administration phase begin. Detailed budgets of operating revenues and expenses calendarized for the 12 months of the budget year are forwarded to the RTA. The CTA's actual monthly financial performance is measured against the monthly budget and reported to the RTA Board. Detailed capital grant applications are prepared and submitted to funding agencies. Quarterly capital program progress reports, along with milestones, are provided to the RTA Board to monitor expenditures and obligations for capital program items. RTA meets with CTA quarterly to review the status of capital projects.

Budget Calendar



Amendment Process

As the CTA monitors actual performance, changes may be required to the budget. When the RTA amends a revenue estimate because of changes in economic conditions, governmental funding, a new program, or other reasons, the CTA has 30 days to revise its budget to reflect these changes. The RTA's Finance Committee must approve all amendments before they are recommended to the RTA Board for approval. The budget may also be amended based on the financial condition and operating results if the CTA is significantly out of compliance with its budget for a given quarter. The RTA Board, by a vote of 12 members, may require the CTA to submit a revised financial plan and budget, which show that the marks will be met in a period of less than four quarters. If the RTA Board determines that the revised budget is not in compliance with the marks, the RTA will not release discretionary funds. RTA discretionary funds include monies from the Public Transportation Fund (PTF), discretionary sales tax, and other state funding. If the Authority submits a revised financial plan and budget showing the marks will be met within a four-quarter period, then the RTA Board shall continue to release funds.

As capital projects proceed, changes may be required to project budgets. Capital funding marks may be revised based on actual federal or state appropriations actions. When revisions are necessary, the five-year capital program will be amended and submitted to the RTA for RTA Board action.

Accounting Systems, Financial Controls & Policy

The CTA was formed in 1945 pursuant to the Metropolitan Transportation Authority Act passed by the Illinois Legislature. The CTA was established as an independent governmental agency (an Illinois municipal corporation) "separate and apart from all other government agencies" to consolidate Chicago's public and private mass transit carriers. The City Council of the City of Chicago granted the CTA the exclusive right to own and operate a unified, local transportation system.

The Regional Transportation Authority Act provides for the funding of public transportation in the six-county region of Northeastern Illinois. The Act established a regional oversight board, the Regional Transportation Authority (RTA), and designated three Service Boards: the CTA, the Commuter Rail Board, and the Suburban Bus Board. The Act requires, among other things, that the RTA approve the annual budget of the CTA; that the CTA obtain agreement from local governmental units to provide an annual monetary contribution of at least $5 million for public transportation; and that the CTA, collectively with the other Service Boards, finance at least 50 percent of operating costs, excluding depreciation and certain other items, from system-generated sources on a budgetary basis.

Financial Reporting Entity

As defined by U.S. generally accepted accounting principles (GAAP), the financial reporting entity consists of a primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable.

Financial accountability is defined as:

1) Appointment of a voting majority of the component unit's board and either (a) the ability to impose will by the primary government or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.
2) Fiscal dependency on the primary government.

In conformance with Governmental Accounting Standards Board (GASB) standards, the CTA includes in its financial statements all funds over which the Chicago Transit Board exercises oversight responsibility. Oversight responsibility is defined to include the following considerations: selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, and scope of an organization's public service and/or special financing relationships.

The CTA participates in the Employees' Retirement Plan, which is a single-employer, defined benefit plan covering substantially all full-time permanent union and nonunion employees. The Employees' Plan is governed by state statute (40 ILCS 5/22-101). The fund, established to administer the Employees' Retirement Plan, is not a fiduciary fund or component unit of the CTA. This fund is a legal entity separate and distinct from the CTA. This plan is administered by its own board of trustees comprised of five union representatives, five representatives appointed by the CTA, and a professional fiduciary appointed by the RTA. The CTA has no direct authority and assumes no fiduciary responsibility with regards to the Employees' Retirement Plan. Accordingly, the accounts of this fund are not included in the CTA's financial statements.

The Retiree Health Care Trust (RHCT) provides and administers health care benefits for CTA retirees and their dependents and survivors. The RHCT is not a fiduciary fund or a component unit of the CTA. This trust is a legal entity separate and distinct from the CTA. This trust is administered by its own board of trustees comprised of three union representatives, three representatives appointed by the CTA, and a professional fiduciary appointed by the RTA. The CTA has no direct authority and assumes no fiduciary responsibility with regards to the RHCT. Accordingly, the accounts of this fund are not included in the CTA's financial statements.

Based upon the criteria set forth by the GASB, the CTA is not considered a component unit of the RTA because the CTA maintains separate management, exercises control over all operations, and is fiscally independent from the RTA. Because governing authority of the CTA is entrusted to the Chicago Transit Board, comprised of four members appointed by the Mayor of the City of Chicago and three members appointed by the Governor of the State of Illinois, the CTA is not financially accountable to the RTA and is not included as a component unit in the RTA's financial statements. As statutorily required, the CTA is combined in pro forma statements with the RTA.

Budget and Budgetary Basis of Accounting

The CTA is required under Section 4.01 of the RTA Act to submit for approval an annual budget to the RTA by November 15th of each year. The budget is prepared on a basis consistent with generally accepted accounting principles (GAAP), except for the exclusion of certain income and expenses, and consistent with the basis of accounting and required recovery ratio. The excluded income and expense amounts include the following:

- Provision for injuries and damage in excess of (or under) budget,
- Depreciation expense,
- Pension expense in excess of pension contributions,
- Actuarial adjustments,
- Revenue and expense from bond transactions,
- Revenue and expense from sale/ leaseback transactions, and
- Capital contributions.

The Act requires that expenditures for operations and maintenance more than budget cannot be made without the approval of the Chicago Transit Board. All annual appropriations lapse at fiscal year-end. Public funding assistance, administered by the RTA, provides public funding revenue for the budgets of the Service Boards. Favorable variances from budget remain as operating assistance to the CTA.

The RTA approves the proposed budget based on four criteria:

- The budget is in balance with regard to anticipated revenues from all sources, including operating subsidies, costs of providing services, and funding operating deficits.
- The budget provides sufficient cash balances to pay, with reasonable promptness, costs, and expenses when due.
- That the budget provides for the CTA to meet its required system-generated revenue recovery ratio; and
- That the budget is reasonable and prepared in accordance with sound financial practices and complies with such other RTA requirements as the RTA Board of Directors may establish.

The RTA monitors the CTA's performance against the budget on a quarterly basis. If, in the judgment of the RTA, this performance is not substantially in accordance with the CTA's budget for such period, the RTA shall so advise the CTA and the CTA must, within the period specified by the RTA, submit a revised budget to bring the CTA into compliance with the budgetary requirements listed above.

Financial Reporting

The CTA's financial statements are prepared in conformity with GAAP. GASB is the accepted standard-setting body for establishing governmental accounting and reporting principles. The CTA applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case the GASB prevails.

Basis of Presentation

The financial statements provide information about the CTA's business-type and fiduciary (Qualified Supplemental Retirement Plan) activities. Separate financial statements are presented for each category. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The financial statements for CTA's business-type activities are used to account for the operations of the CTA and are accounted for on a proprietary (enterprise) fund basis. This basis is used when operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the costs of providing services to the general public be financed or recovered primarily through user charges such as fares.

Accordingly, the CTA maintains its records on the accrual basis of accounting. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, depreciation of assets is recognized, and all assets and liabilities associated with the operation of the CTA are included in the balance sheet.

The financial statements for the fiduciary activities are used to account for the assets held by the CTA in trust for the payment of future retirement benefits under the Qualified Supplemental Retirement Plan. The assets of the Qualified Supplemental Retirement Plan cannot be used to support CTA operations.

Fiscal Year

The operating cycle of the CTA is based on the calendar year. Prior to 1995, the CTA operated on a 52-week fiscal year composed of four quarters of "four-week, four week, and five week" periods. Periodically, a 53-week fiscal year was required to keep the fiscal year aligned with the calendar.

Internal Controls

CTA management is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the CTA are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived, and that the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. The CTA's internal accounting controls are reasonable under the existing budgetary constraints and adequately safeguard assets as well as provide reasonable assurance of proper recording of all financial transactions.

Each year, the CTA conducts internal and external audits to test the adequacy of its internal control system. Where weaknesses are identified, the CTA takes immediate action to correct such weaknesses to ensure a sound internal control system.

Single Audit

As a recipient of federal, state, and RTA financial assistance, the CTA is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is subject to periodic evaluation by management and the internal audit staff of the CTA, as well as external auditors.

As part of the CTA's single audit, tests are performed to determine the adequacy of the internal control system, including the portion related to federal financial assistance programs, as well as to determine that the CTA has complied with applicable laws and regulations.

Budgeting Controls

In addition, the CTA maintains budgetary controls to ensure compliance with legal provisions embodied in the annual budget appropriated by the Chicago Transit Board and approved by the RTA. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established for total operating expenses. The CTA also maintains a position control system, which requires that every job that is not part of scheduled transit operations be budgeted on an annual basis.

Financial Policy

Financial planning policies incorporate both short- and long-term strategies focused on the principles of a balanced budget. These policies ensure proper resource allocation and the continued financial viability of the organization. The CTA reviews the policies on an annual basis as part of the budget process to ensure continued relevance to the organization's goals and objectives.

A Balanced Budget

The budget reflects the short-term goals of the agency. Following development, adoption, and implementation of the annual budget, the CTA continually monitors actual monthly financial performance against the budget. Each month, the CTA performs a detailed line-by-line analysis of revenues and expenses to determine operating variances. This includes reviewing position headcount, analyzing material and other expenses, examining revenue scenarios for potential shortfalls, applying seasonality spread in relation to business activities, and conducting continuous audits to ensure a balanced budget. Where potential year-end variances to budget are projected, the CTA uses various strategies to manage them. A monthly financial performance report is produced and submitted to the CTA and RTA boards for their review.

The RTA Act requires the CTA to have a balanced budget each year. As such, the CTA takes care in the development of its budget to ensure that assumptions and estimates used to develop the budget are reasonable. The CTA analyzes data from recent years and develops forecasts that are built on actual expense trends. The CTA also researches market trends and consultants' studies that could impact fuel and healthcare expenses. All expenses match available revenues at the time of the budget, including system-generated and other revenues, as well as public funding.

Long-Range Planning

The CTA also develops a longer-range plan for the period beyond the current budget and two-year financial plan. This ten-year plan assesses the implications of current and proposed budgets, policy priorities, and financial assumptions. Additionally, external economic studies, demographics, and traffic patterns are used to estimate the future transit needs of the Chicago metropolitan area, and to establish the future system requirements of the CTA. Current infrastructure needs, as well as system growth needs, are developed, prioritized, and incorporated into the long-term plan.

Capital Investment Planning

The CTA continuously maintains an inventory and assessment of the condition of all major capital assets. A detailed five-year capital program prioritizes the short-term capital needs that are necessary to bring the system to a state of good repair, as well as to maximize customer benefits in the regional transit system. CTA is also developing a Transit Asset Management system to assist in prioritizing future capital projects. A 20-year capital program condition and assessment report provides a broader list of the CTA's capital investment needs.

Revenue Policies

The principal operating revenues of the CTA are bus and rail passenger fares, which are established by the CTA's Board. The CTA also recognizes as revenue the rental fees received from concessionaires, the fees collected from advertisements on CTA property, and other miscellaneous operating revenues. A clear understanding of CTA revenue sources is essential to maintaining a balanced budget and for providing quality service to customers.

Revenue Diversification

Organizational units are encouraged to submit revenue ideas for consideration. The CTA has embarked upon numerous alternative revenue enhancements, such as vending machines and ATMs on the system, wireless communications in the subway tunnels, digital communications, and parking under the elevated rights-of-way. The CTA continues to find ways to enhance system advertising, charters, and concession revenues, as well as revenue from investments.

Use of One-Time Revenues

Extraordinary revenues from the sale of surplus assets provide one-time benefits to the CTA. These additional revenues are used to fund non-recurring expense items.

Expenditure Policies

CTA expenditures include the costs of operating the mass transit system, administrative expenses, and depreciation on capital assets. Prudent expenditure planning, monitoring, and accountability are key elements of fiscal stability.

Debt Capacity, Issuance, and Management

These policies serve as a management tool to ensure that the CTA:

- May utilize leverage as part of its overall funding strategy to speed up investment in the system;
- Utilizes debt in the most efficient and effective manner to fund operating and capital improvement programs; and
- Makes full and timely repayment of all borrowings.

Moreover, the policy provides broad guidelines to ensure that the agency achieves the lowest possible cost of capital within prudent risk parameters, secures ongoing access to the capital markets, and authorizes the appropriate amount, type, and structure of debt for various financing situations.

Expenditure Accountability

Each month, the CTA compares its operating and capital performance to budget. Any deviations from budget are reviewed and corrective measures are implemented by the appropriate organizational units. Each unit is responsible for maintaining budget compliance. Actual capital expenditures are also reviewed monthly and adjustments to capital projects spending are made accordingly.

Sustainability Initiatives

Sustainable Transportation and Climate Resilience

Sustainability is at the core of CTA's mission to deliver quality, affordable transit services that link people, jobs, and communities. Serving the city of Chicago and 35 surrounding suburbs, CTA's train and bus systems help reduce traffic congestion, support compact development, and lower per-capita energy consumption and expense.

2021-2022 Key Sustainability Initiatives

- Partnering with the Mayor's Office to develop Chicago's next Climate Action Plan
- Completing a roadmap for electrification of CTA's entire bus fleet by 2040
- Operating 25 electric buses in service by late 2022
- Launching design, engineering, and construction for new electric bus chargers at two bus garages
- Operating 10 new 7000-series rail cars in service
- Upgrading to LED lighting in bus garages, subway tunnels, and rail power substations systemwide
- Installing pipe insulation, new steam traps, and high-speed garage doors to reduce natural gas usage
- Procuring a master developer to design and construct equipment for renewable energy generation on CTA properties

In April 2021, Mayor Lightfoot announced a Green Recovery Agenda, including ambitious strategies for reducing carbon emissions and transitioning to clean energy. A pillar of the agenda is the development of a new Chicago Climate Action Plan, which kicked off in the summer of 2021. CTA will continue to partner with the Mayor's Office, City Department, sister agencies, and a wide range of other stakeholders throughout the plan development process, ensuring that public transit supports the city's sustainability goals.

Chicago's new Climate Action Plan will prioritize action steps that equitably benefit individual Chicagoans while transitioning away from carbon emissions. Access to reliable, affordable transit is a key provision. CTA's ongoing investment in large-scale infrastructure improvements is expanding transit accessibility throughout the city, reducing commute times, and securing the long-term quality and safety of public transit – a low-carbon alternative to the use of personal cars. Such projects include the Red Line Extension, Your New Blue, and Red-Purple Modernization, which will bolster the strength and resilience of Chicago's transit services today and for decades to come.

To address more intense weather events resulting from climate change, CTA accounts for exposure to extreme heat, cold, precipitation, and wind when planning, designing, and constructing new infrastructure and rehabs to existing facilities, as well as when determining protocols for operations. In practice, this means testing and selecting materials and equipment based on durability and building redundancy into systems ranging from vehicle power and fuel supply to control center communications.

Clean Vehicles and Efficient Operations: Bus System

CTA's electric bus program achieved a key milestone in April 2021 with the launch of six new, 40-foot, electric buses on the #66 Chicago route. These buses charge their batteries primarily "on-route" at high-powered overhead chargers installed at both terminals of the route: Navy Pier (east terminal) and Chicago Ave / Austin Blvd (west terminal). CTA also installed a high-powered overhead charger inside the Chicago Garage, where the new buses are based, so that they can top off their batteries when they return to the garage after completing service. These new buses join CTA's two existing electric buses that serve Midway routes, bringing the electric bus fleet total to eight as of fall 2021. In Q4 2021, CTA will put three more electric buses into service, and through the first half of 2022, CTA expects delivery of an additional 14 electric buses. By the end of 2022, CTA anticipates having a total of 25 electric buses in service.



A new CTA electric bus uses the high-powered overhead charger at the Chicago Ave / Austin Blvd bus-turnaround

CTA's successful deployment of electric buses thus far, and continuing into the future, relies on close collaboration among departments across the agency. Hundreds of bus operators have completed training on how to drive, monitor, and fast-charge the new electric buses. Maintenance personnel are learning electric bus maintenance practices in side-by-side sessions with trainers from the bus manufacturing companies; this training includes a specialized focus on the safety protocols for working with high-voltage electrical systems. Bus Engineering, Planning, Finance staff are meeting regularly to analyze electric bus performance, reliability, and energy efficiency.

Within the next few months, CTA will complete the development of a roadmap to guide electrification of the entire bus fleet, a total of over 1,860 buses. The roadmap will lay out steps required to meet the target year of 2040 for an all-electric CTA bus fleet, as established by a Chicago City Council resolution in 2019. The strategic planning and analyses behind the roadmap include evaluations of the purchasing timeline for buses, required upgrades to bus garages (including ComEd upgrades), suitability of charging technologies and charging locations, and impacts to current operations and maintenance practices. CTA also partnered with the Chicago Department of Public Health to utilize data from their Air Quality and Health Index to analyze where the emissions reductions from electric buses can provide the greatest benefit to vulnerable populations most at risk for respiratory illnesses and chronic diseases. The final phase in the roadmap development process is determining high-level estimates for the costs to achieve full bus fleet electrification, depending on several different scale-up scenarios.

The collective experience and expertise developed within CTA – along with funding secured for the electric bus program – will support additional purchases of electric buses and installation of charging infrastructure. To

date, CTA's electric bus program has been awarded about $95 million in funding, primarily from competitive federal grant sources including the Congestion Mitigation and Air Quality Improvement Program, and the Low or No Emission Vehicle Program. Additional grant funding sources include the Illinois Environment Protection Agency's "Driving A Cleaner Illinois" Program and the Diesel Emissions Reductions Act (DERA) Grant Program.

A notable competitive grant awarded to CTA in June 2021 was a Low or No Emission Vehicle grant for nearly $7 million. This funding will support the purchase of six electric buses and installation of associated charging infrastructure at the 103rd St Garage. This grant project will be the first electric bus deployment out of CTA's 103rd St Bus Garage.

Analysis of CTA's bus energy efficiency, as measured in bus miles traveled per gallon of diesel fuel (table below), shows a slight improvement in efficiency for 2021. A significant contributing factor is likely the prioritization of running CTA's newest and most efficient 40-foot diesel buses, following heavier use of older 60-foot buses in 2020 to ensure maximum social distancing during the worst months of COVID-19 transmission. Other factors contributing to efficiency are the continued lighter passenger load due to pandemic ridership levels, and replacement of the very oldest diesel buses with new electric buses.

CTA Bus Fuel Efficiency	
Year	Bus Miles Traveled per Gallon of Diesel Fuel
2015 Actual	3.59
2016 Actual	3.60
2017 Actual	3.51
2018 Actual	3.45
2019 Actual	3.38
2020 Actual	3.37
2021 Forecast	3.49

Clean Vehicles and Efficient Operations: Rail System

In April 2021, CTA began running the first 10 prototypes of its 7000-series rail cars in passenger service to test "real-world" performance. Manufactured at CRRC Sifang's new facility on the Southeast Side of Chicago, these new cars are the latest model in CTA's fleet of over 1,450 rail cars. Testing will continue through the upcoming winter to ensure that the new rail cars function well during Chicago's harsh weather conditions. To date, the cars have operated in service on the Blue, Pink and Red lines.

The 7000-series rail cars are CTA's second model of rail cars (following the 5000-series) with the capability to regenerate electricity as they brake, sending that electricity back to the third rail to power the acceleration of other trains on the system at the same time. CTA's past testing and modeling studies indicate that rail cars with regenerative braking reduce overall rail-system energy consumption by at least 10 percent. Throughout CTA's testing of the 7000-series prototype cars, the propulsion system supplier has been fine-tuning the regenerative braking, which is expected to result in energy efficiency equal to or better than the 5000-series rail cars. These new rail cars also have other energy-saving features such as LED lights and advanced controls for the air comfort systems.

Analysis of CTA's rail energy efficiency, as measured in rail miles traveled per megawatt-hour of electricity (table below), shows that trains have been running slightly more efficiently over the past couple years. The most significant contributor to this efficiency increase is likely the reduced passenger weight from lower ridership during the pandemic. Other factors that affect efficiency are extreme weather, which requires additional power for heating/cooling, and aging of the rail car fleet, with cars running less efficiently as equipment components gain more years in use.

CTA Rail Energy Efficiency	
Year	Rail Miles Traveled per Megawatt-Hour of Electricity
2015 Actual	185
2016 Actual	177
2017 Actual	179
2018 Actual	168
2019 Actual	168
2020 Actual	175
2021 Forecast	175

CTA's comprehensive study and evaluation of the rail system's power infrastructure continued through 2021. The study initially focused on the Blue Line and then expanded to analyze all eight rail lines throughout the system. It also includes a sub-study of the new rail power infrastructure needs for the Red Line Extension project. Results of the study are guiding investments in rail power infrastructure, ensuring the continued resiliency of CTA's train service to local power outages, equipment issues, and other potential disruptions.

Energy Efficiency in Facilities

CTA forecasts spending over $13 million on electricity and natural gas for its facilities in 2021. Building energy efficiency projects serve to reduce this expense, while also reducing CTA's environmental impact, enhancing customer experience, and improving work environments for CTA personnel.

At the Chicago Garage, CTA's team of in-house electricians is replacing over 580 older, inefficient metal-halide and fluorescent lighting fixtures with high-efficiency LEDs. The new lighting is estimated to save at least $35,000 in electricity costs each year, and will also provide better lighting throughout the bus storage bays and maintenance areas. This project will earn a rebate of over $92,000 from the ComEd Public Sector Energy Efficiency Program, covering approximately 75% of the project's cost of materials. CTA is currently planning and performing large-scale energy efficient lighting upgrades at the 77th Street Bus Garage, the Des Plaines Rail Shop, and throughout the rail subway tunnels. Year to date, CTA has received a nearly 50% discount on about $24,000 in LED light bulb purchases through ComEd's Instant Discount Program. All rail station renovation projects include the installation of LEDs, which are now standard in CTA's construction and renovation design specifications.



New LED lighting at CTA's Chicago Bus Garage

Close collaboration with the Peoples Gas Energy Efficiency Program has helped CTA identify numerous opportunities for energy efficiency savings at large facilities. In early 2021, the Peoples Gas program fully funded the cost of conducting comprehensive audits of natural gas systems and

usage at five of CTA's bus garages and the South Shops bus heavy maintenance facility. CTA Facilities Maintenance is already underway with the implementation of recommendations including pipe insulation, steam trap and valve repairs, and installation of high-speed garage doors. At South Shops, Peoples Gas approved CTA to receive incentives of $332,000 for a pipe insulation project and $268,000 for a condensate pump replacement project. These incentives are anticipated to cover the full cost of labor and equipment for the projects; CTA will then accrue savings from the resulting reduction in natural gas usage.

Energy Management

In September 2021, Illinois Governor Pritzker signed wide-ranging energy legislation into law, creating new and expanded programs and incentives for electric vehicles, energy efficiency, nuclear and renewable power generation, and workforce training in the clean energy industry. CTA is carefully analyzing and monitoring implementation of the new act to identify all potential cost impacts and funding opportunities. Specifically, the act requires the Illinois Commerce Commission to conduct a stakeholder workshop process and create a report detailing recommendations for transportation electrification investment or incentives. CTA is actively participating in this workshop process, which will include discussion of incentives for public transit vehicle charging infrastructure. Following the report, electric utilities are required by the law to file Beneficial Electrification Plans with the Illinois Commerce Commission for programs that begin by 2023.

CTA's third-party property manager, JLL, is conducting a process to select a master developer for renewable energy systems on CTA properties. In the first step of this process, JLL released a request for qualifications (RFQ) to identify firms that demonstrate the experience and technical and financial capacity to install, construct, reconstruct, use, operate, maintain, replace, and remove renewable energy infrastructure. The JLL/CTA project team then interviewed RFQ respondents regarding their proposed approaches to developing renewable energy systems – in particular, solar photovoltaic systems – on CTA's properties. JLL plans to invite selected RFQ respondents to submit full proposals under a subsequent request for proposals (RFP) stage of the procurement process. The passage of Illinois's new energy law expands financial

incentives for renewable energy systems such as those envisioned under this master developer contract.

In May 2021, CTA awarded a new contract to Direct Energy for natural gas supply beginning in May 2022 and extending for a period of three years, with the opportunity for CTA to further extend the contract for two additional one-year terms. The contract incorporates a fixed price for the natural gas commodity for the contracted volumes. Those volumes mirror CTA's forecasted monthly gas usage. Consumption that varies from contracted volumes by more than 10% will be priced at the current market price. Natural gas prices have risen dramatically since CTA executed the contract. Prices for gas delivered "next month" have doubled, while prices for the 36-month term contracted by CTA have risen by 30% ($1.4 million) as of September 30, 2021.

Calendar year 2022 is the final year of CTA's base contracts with Dynegy for rail system (traction) power supply and with MP2 for facilities (non-traction) power supply. CTA has already executed contract extensions for the option years 2023 and 2024. Both contracts provide CTA with fixed prices per kilowatt-hour of electricity and include commitments assuring that 100 percent of CTA's electricity supply comes from non-coal sources. Calendar year 2022 is CTA's final option year of its diesel fuel supply contract with Mansfield Oil Company. A procurement process for fuel supply beginning in January 2023 is in progress at the time of budgeting.

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Acronyms

AA	Alternatives Analysis
ADA	Americans with Disabilities Act
APB	Accounting Principles Board
APTA	American Public Transportation Association
ARPA	American Rescue Plan Act
ASAP	All Stations Accessibility Plan
AVAS	Automated Voice Annunciation System
BAB	Build America Bonds
BRT	Bus Rapid Transit
BUILD	Better Utilizing Investments to Leverage Development
CAC	Capital Advisory Committee
CARES	Coronavirus Aid, Relief and Economic Security Act
CBO	Congressional Budget Office
CDOT	Chicago Department of Transportation
CIG	Capital Investment Grant
CIP	Capital Improvement Program
CMAP	Chicago Metropolitan Agency for Planning
CMAQ	Congestion Mitigation and Air Quality
COP	Certificate of Participation
CPD	Chicago Police Department
CPI	Consumer Price Index
CSL	Chicago Surface Lines
CTA	Chicago Transit Authority
DBE	Disadvantaged Business Enterprise
DHS	Department of Homeland Security
EIA	Energy Information Administration
EIS	Environmental Impact Statement
EPA	Environmental Protection Agency
FASB	Financial Accounting Standards Board
FAST	Fixing America's Surface Transportation (FAST) Act
FEJA	Future Energy Jobs Act
FFGA	Full Funding Grant Agreement
FFR	Federal Funds Rate
FFY	Federal Fiscal Year
FHWA	Federal Highway Administration
FOMC	Federal Open Market Committee
FTA	Federal Transit Administration
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GARVEE	Grant Anticipation Revenue Vehicles
GASB	Governmental Accounting Standards Board
GDP	Gross Domestic Product
GFOA	Government Finance Officers Association
GTT	City of Chicago Ground Transportation Tax
HTF	Highway Trust Funds
ICE	Innovation, Coordination and Enhancement Fund
IDOT	Illinois Department of Transportation
IT	Information Technology
JARC	Job Access and Reverse Commute Program
LACMTA	Los Angeles County Metropolitan Transportation Authority
LPA	Locally Preferred Alternative
MAP-21	Moving Ahead for Progress in the 21st Century
MBTA	Massachusetts Bay Transportation Authority
NEPA	National Environmental Policy Act
NTD	National Transit Database
NYCT	New York City Transit
PBC	Public Building Commission of Chicago
PBV	Positive Budget Variance
PE	Preliminary Engineering
PMP	Project Master Plans
POB	Pension Obligation Bond
PPI	Producer Price Index
PTF	Public Transportation Fund
RETT	Real Estate Transfer Tax
RHCT	Retiree Health Care Trust
RLE	Red Line Extension
ROW	Right of Way
RPM	Red and Purple Modernization Project
RTA	Regional Transportation Authority
SCADA	Supervisory Control and Data Acquisition
SCIP	Strategic Capital Improvement Program
SEPTA	Southeastern Pennsylvania Transportation Authority
SFY	State Fiscal Year
SMS	Safety Management System
SOGR	State of Good Repair
SPR	Statewide Planning & Research
STIP	State Transportation Improvement Program
STO	Scheduled Transit Operations
SWAP	Sheriff's Work Alternative Program
TAM	Transit Asset Management
TIF	Tax Increment Financing
TIFIA	Transportation Infrastructure Finance and Innovation Act
TIGGER	Transit Investments for Greenhouse Gas & Energy Reduction
TIP	Transportation Improvement Program
TOD	Transit-Oriented Development
TSGP	Transit Security Grant Program
TSP	Traffic Signal Prioritization
ULB	Useful Life Benchmark
UPRR	Union Pacific Railroad
UPS	Uninterrupted Power Supply
USDOT	United States Department of Transportation
UWP	Unified Work Program
UZA	Urbanized Area
WMATA	Washington Metropolitan Area Transit Authority
YNB	Your New Blue

Glossary

2008 Legislation - The amendments to the RTA Act in 2008 included the following policies affecting the CTA budget: 1) Increased the RTA sales tax to 1.25 percent in Cook County and 0.75 percent in the collar counties; 2) Prescribed a new distribution of revenues for the incremental sales tax increase and Public Transportation Fund match; 3) Established an Innovation, Coordination, and Enhancement (ICE) Fund, an ADA Paratransit Fund, and a Suburban Community Mobility Fund; and 4) The chair of the CTA no longer was on the RTA Board.

Accessible – A site, building, facility, or portion thereof that complies with defined standards and that can be approached, entered, and used by persons with disabilities.

Accounting Principles Board (APB) - It was created by the AICPA in 1959 and issued pronouncements on accounting principles until 1973, when it was replaced by the Financial Accounting Standards Board (FASB).

Accrual Basis - A method of accounting in which revenues are reported in the fiscal period when they are earned, regardless of when they are received, and expenses are deducted in the fiscal period they are incurred, whether they are paid or not.

All Stations Accessibility Plan (ASAP) - A comprehensive plan for making the remaining 42 stations fully accessible, along with repairs and upgrades to existing 160 station elevators in the next 20 years.

Alternatives Analysis (AA) Study – This study is the first step of the FTA's process to qualify for New Starts funding and is designed to examine all the potential transit options available and to determine a locally preferred alternative.

American Rescue Plan Act – The third major federal economic stimulus bill passed in March 2021 to speed up the recovery of the economic and health effects of the COVID-19 pandemic in the United States.

Americans with Disabilities Act (ADA) – Federal law that prohibits discrimination against people with disabilities in several areas, including employment, transportation, public accommodations, communications and access to state and local government' programs and services.

Americans with Disabilities Act (ADA) Paratransit Fund - A fund created by the 2008 Legislation to fund regional paratransit services provided by Pace.

American Public Transportation Association (APTA) – A nonprofit international association that representing all modes of public transportation, including bus, paratransit, light rail, commuter rail, subways, waterborne services, and intercity and high-speed passenger rail.

Articulated Bus - A flexible high-capacity passenger bus.

Automated Voice Annunciation System (AVAS) – An on board announcement system that coordinates with both global positioning (satellite-based) and logical positioning (distance-based) systems to determine the location of a bus and make the appropriate next-stop announcement.

Better Utilizing Investments to Leverage Development (BUILD) - A federal discretionary grant program dedicated to funding critical freight and passenger projects that have a significant local or regional impact.

Big Gap - When the time in between buses is more than double the scheduled interval and creates a gap of more than 15 minutes.

Bond – A type of loan issued that provides a fixed rate of return over a set period.

Build America Bonds (BAB) - taxable municipal bonds that featured federal tax credits or subsidies for bondholders or state and local government bond issuers. The Build America Bonds program expired in 2010.

Bureau of Labor Statistics (BLS) - A federal agency responsible for measuring labor market activity, working conditions, and price changes in the economy.

Capital Advisory Committee (CAC) - Comprised of members from local universities as well as leaders from the business community whose purpose is to solicit expert advice from external professionals in carrying out the CTA's capital process, including the selection of projects for funding and advising the CTA in closing the funding gap.

Capital Budget - A plan of action for a specified period for purchases of assets using capital grants or bonds.

Capital Expense – Expense associated with buying, maintaining, or improving its fixed assets, such as buildings, vehicles, equipment, or land.

Capital Investment Grant - Funds received from grantor funding agencies used to finance construction, renovation, and major repairs or the purchase of machinery, equipment, buildings, or land.

Capital Improvement Program (CIP) - a short-range plan, usually four to ten years, which identifies capital projects and equipment purchases, provides a planning schedule and identifies options for financing the plan.

Certificate of Participation (COP) - Type of financing where an investor purchases a share of the lease revenues of a program rather than the bond being secured by those revenues and are secured by lease revenues.

Chicago Department of Transportation (CDOT) - responsible for public way infrastructure, including planning, design, construction, maintenance, and management within the City of Chicago.

Chicago Metropolitan Agency for Planning (CMAP) - The Chicago region's comprehensive planning organization responsible for long-range planning to help the seven counties and 284 communities of northeastern Illinois implement strategies that address transportation, housing, economic development, open space, the environment, and other quality-of-life issues.

Collar Counties - The five Illinois counties that surround Cook County: Will, Kane, DuPage, Lake, and McHenry counties.

Congestion Mitigation & Air Quality Improvement Program (CMAQ) - a federally funded program of surface transportation improvements designed to improve air quality and mitigate congestion.

Congressional Budget Office - a federal agency within the legislative branch of the United States government that provides budget and economic information to Congress.

Consolidated Appropriations Act – A federal spending bill passed in 2020 that combines stimulus relief for the COVID-19 pandemic and annual appropriation spending for the 2021 federal fiscal year.

Consumer Price Index (CPI) - a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

Coronavirus Aid, Relief, and Economic Security Act (CARES Act) – A federal economic stimulus bill passed in March 2020 in response to the economic fallout of the COVID-19 pandemic in the United States.

Corridor - A defined study area considered for significant transportation projects such as highway improvements, bus transitways, rail lines, or bikeways (e.g. Dan Ryan corridor, Western Avenue corridor).

CTA Board Member Terms of Office - Board member terms are in seven-year increments. Board members may be appointed to terms already in progress, in which case they may serve until the end of that term.

Department of Homeland Security (DHS) – Federal agency responsible for anti-terrorism, border security, immigration and customs, cyber security, and disaster prevention and management.

Depreciation - An accounting term that recognizes the loss in value of a tangible fixed asset over time attributable to deterioration, obsolescence, and impending retirement.

Disadvantaged Business Enterprise (DBE) - The DBE program is intended to ensure nondiscrimination in the award and administration of contracts.

Discretionary Funds – Funds include Public Transportation Funds and a portion of the RTA Sales Tax allocated by the RTA to Service Boards.

Energy Information Administration (EIA) – Federal agency that collects, analyzes, and disseminates independent and impartial energy information to promote sound policymaking, efficient markets, and public understanding of energy and its interaction with the economy and the environment.

Environmental Impact Statement (EIS) – A document prepared to describe the effects for proposed activities on the environment. "Environment," in this case, is defined as the natural and physical environment and the relationship of people with that environment.

Environmental Protection Agency (EPA) – A federal agency created for the purpose of protecting human health and the environment by writing and enforcing regulations based on laws passed by Congress.

Fare - The amount charged to passengers for bus and rail services.

Farebox - Equipment used for the collection of bus fares.

Farecard - Electronic fare media used for payment of fares.

Federal Fiscal Year (FFY) - The accounting period for the federal government beginning on October 1 and ending September 30.

Federal Funds Rate - Target interest rate set by the Federal Open Markets Committee (FOMC) at which commercial banks borrow and lend their excess reserves to each other overnight.

Federal Highway Administration (FHWA) – A federal agency provides stewardship over the construction, maintenance and preservation of the Nation's highways, bridges and tunnels, while also conducting research and providing technical assistance to state and local agencies to improve safety, mobility, and to encourage innovation.

Federal Transit Administration (FTA) - An agency within the U.S. Department of Transportation that provides financial and technical assistance to local public transit systems.

Federal Insurance Contributions Act (FICA) - Social Security payroll taxes are collected under the authority of FICA.

Financial Accounting Standards Board (FASB) - Establishes and improves standards of financial accounting and reporting for the guidance and education of the public, including issuers, auditors, and users of financial information.

Financial Plan - In addition to an annual budget, the Regional Transportation Authority Act requires that all service boards to prepare a financial plan encompassing the two years after the budget year.

Fiscal Year (FY) - A 12-month period used for calculating annual financial reports. The CTA's fiscal year runs concurrent to the calendar year.

Fixing America's Surface Transportation (FAST) Act – Federal legislation passed in 2015 that authorizes $305 billion over fiscal years 2016-2020 for highway, vehicle safety, public transportation, motor carrier safety, hazardous materials safety, rail, and research, technology, and statistics programs.

Full Funding Grant Agreement (FFGA) - Grant agreements authorized under federal transit law that establish the terms and conditions for federal financial participation in a New Starts project.

Fund Balance (See Unrestricted Net Assets)

Funding (Budget) Marks - The Regional Transportation Authority Act, as amended in 1983, calls for the RTA to advise each of its Service Boards by September 15th of the public funding to be available for the following year, as well as the required recovery ratio.

Future Energy Jobs Act (FEJA) – An Illinois law expanding energy efficiency programs, provides job training in renewable energy, and increases investment in solar and wind power in Illinois.

Generally Accepted Accounting Principles (GAAP) - Standard framework of guidelines for financial accounting, mainly used in the United States.

Governmental Accounting Standards Board (GASB) - The GASB establishes and improves standards of state and local governmental accounting and financial reporting.

Government Finance Office Association (GFOA) – Organization that enhances and promotes the professional management of governments for the public benefit by identifying and developing financial policies and best practices, and promoting their use through education, training, facilitation of member networking, and leadership.

Grant Anticipation Revenue Vehicles (GARVEE) - A debt instrument issued when funds are anticipated from future federal reimbursement of debt service and related financing cost under Section 122 of Title 23, United States Code.

Ground Transportation Tax (GTT) - The City of Chicago Ground Transportation Tax applies to businesses that provide ground transportation vehicles for hire in Chicago to passengers to partially fund CTA capital improvements.

Headway - The time span between when one service vehicle (bus or rail) leaves a stop/station and when the following vehicle arrives at the same stop/station on specified routes. Also called service frequency.

Heavy Rail - Heavy rail is characterized by high-speed passenger rail cars and trains operating on fixed rails in separate rights-of-way from which all other vehicular and foot traffic is excluded.

Hedge - A type of investment activity used to reduce the risk of adverse price movement. Normally, a hedge consists of taking an offsetting position in a related security to minimize unwanted risks associated with price fluctuation.

Illinois Jobs Now Program - A $31 billion capital improvement program created in 2009 designed to improve bridges and roads, transportation networks, schools, and communities.

Illinois' Low-Income Circuit Breaker Program - The official name of the Program is the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act, governed by the Illinois Department on Aging, helps offset the cost of property taxes and other costs by providing low-income, senior, or disabled residents with yearly grants.

Infrastructure - Assets that make up CTA's transportation system, including maintenance facilities, rail track, signals, stations, elevated structures, and power substations.

Innovation, Coordination and Enhancement Fund (ICE) - A fund established by the 2008 amendments to the RTA Act for operating or capital grants or loans to Service Boards, transportation agencies, or units of local government that advance the goals and objectives identified by the RTA's Strategic Plan. Unless an emergency is determined by the RTA Board that requires some or all amounts of the Fund, it can only be used to enhance the coordination and integration of public transportation and develop and implement innovations to improve the quality and delivery of public transportation.

Interval - The time between when one service vehicle (bus or train) leaves a stop/station to the time when the following vehicle leaves the same stop/station.

Job Access and Reverse Commute Program (JARC) - A FTA program to address transportation challenges faced by welfare recipients and low-income persons seeking to obtain and maintain employment, which often is located in a less accessible area and/or requires late at night or weekend schedules when conventional transit services are not sufficiently provided.

Job Order Contracting (JOC) - A collaborative construction project delivery method that enables organizations to get numerous, commonly encountered construction projects done quickly and easily through multi-year contracts.

Locally Preferred Alternative (LPA) - The final selected scope and design for a major corridor investment. Alternatives analysis is considered complete when a locally preferred alternative is selected by local and regional decision makers and adopted by the MPO into the financially constrained, long-range metropolitan transportation plan.

Major Rail Delay - An instance where a train experiences a delay to service of ten minutes or more.

Mean Miles Between Defects - The average mileage a train accrues before experiencing a defect.

Metra - Commuter Rail division of the RTA responsible for the day-to-day operation of the region's commuter rail service (except for services provided by the CTA). Metra was created in 1983 by an amendment to the RTA Act.

Moving Ahead for Progress in the 21st Century (MAP-21) - A funding and authorization bill enacted in 2012 to govern United States federal surface transportation spending.

National Environmental Policy Act (NEPA) - is a United States environmental law that promotes the enhancement of the environment and established the President's Council on Environmental Quality.

National Transit Database (NTD) - The FTA's primary national database for transit statistics.

New Starts - FTA discretionary program that is the federal government's primary financial resource for supporting locally planned, implemented, and operated transit "guideway" capital investments.

Non-Operating Funds - Capital grant monies to fund expenses.

Non-Revenue Vehicle - Vehicles that do not carry fare-paying passengers and are used to support transit operations.

Operating Budget - Annual revenues and expenses forecast to maintain operations.

Operating Expenses – Costs such as labor, material, fuel, power, security, and professional services associated with the day-to-day operations of service delivery.

Operating Revenues - Revenues generated from user fees (in the form of farebox revenues) or other activities directly related to operations, such as advertising, concessions, parking, investment income, etc.

Pace - The Suburban Bus Division of the RTA, created in 1983, responsible for suburban bus service and all paratransit service.

Paratransit Service - Demand-response service utilizing wheelchair-accessible vans and small buses to provide pre-arranged trips to and from specific locations within the service area to certified participants.

Passenger Miles - The sum of the distances traveled by passengers.

Pension Obligation Bonds (POB) - Debt instruments issued to fund all or a portion of the Unfunded Actuarially Accrued Liabilities (UAAL) for pension and/or Other Post-Employment Benefits (OPEB).

Positive Budget Variance (PBV) - The amount by which a service board comes in favorable to available funding from the RTA in a given budget year. RTA policy allows the service boards to retain these funds in an unrestricted fund balance for capital projects or one-time operating expenses.

Power Washing – Facilities - The deep cleaning of a station or facility using pressure washing equipment.

Preliminary Engineering (PE) - Analysis and design work to produce construction plans, specifications and cost estimates that brings plans to 30 percent complete.

Preventive Maintenance - The maintenance of equipment and facilities to ensure satisfactory operating condition through systematic inspection, detection, and correction of incipient failures either before they occur or before they develop into major defects.

Proprietary Fund - One of three broad classifications of funds used by state and local governments that include enterprise funds and internal service funds. Enterprise funds are used for services provided to the public on a user charge basis.

Public Building Commission (PBC) - City of Chicago organization that provides professional management of the city's public construction projects.

Public Funding - Funding received from the RTA or other government agencies.

Public Transportation Funds (PTF) - As authorized by the RTA Act, the Illinois State Treasurer transfers from the State General Revenue Fund an amount equal to 25 percent of RTA sales tax collections to a special fund, called the Public Transportation Fund (PTF), and then remits it to the RTA on a monthly basis. All funds deposited are allocated to the RTA to be used at its discretion for the benefit of the Service Boards.

Real Estate Transfer Tax (RETT) - A source of public funding for the CTA collected by the City of Chicago. The 2008 legislation authorized a $1.50 per $500 increase in RETT, and the CTA receives 100% of the RETT increase.

Real Time Bus Management (RTBM) - The RTBM system polls the IVN on each bus every thirty seconds for location updates. The buses also send up events when new operators logon, start a new trip, or pass a time point.

Recovery Ratio - Measures the percentage of expenses that a Service Board must pay against revenues that it generates. The RTA Act mandates that the RTA region must attain an annual recovery ratio of at least 50 percent.

Reduced Fare - Discounted fare for children ages 7 through 11, grade school and high school students (with CTA ID), seniors 65 and older (with RTA ID), and riders with disabilities (with RTA ID) except paratransit riders.

Reduced Fare Reimbursement - Reimbursement of revenue lost by the Service Boards due to providing reduced fares to students, elderly and the disabled. The CTA recovers a portion of the cost of trips with both the fare revenue and operating subsidies. The reimbursements are made from the State of Illinois to cover a portion of the difference between the standard and reduced fare. Reimbursement amounts are allocated to the Service Boards based on reduced fare passenger trips taken during the year.

Regional Transportation Authority (RTA) - The financial oversight and regional planning body for the three public transit operators in northeastern Illinois: the CTA, Metra commuter rail, and Pace suburban bus.

Regional Transportation Authority Act (RTA Act) - An Act that regulates which public funds may be expended and authorizes the state to provide financial assistance to units of local government for distribution to providers of public transportation, including the CTA. It authorizes the distribution of sales tax revenue collected by the City of Chicago and collar counties, Public Transportation Funds, State Assistance, and other funding streams for the CTA and outlines criteria that must meet for budget approval.

Retiree Health Care Trust (RHCT) - Provides and administers health care benefits for CTA retirees and their dependents and survivors. The trust is a legal entity separate and distinct from the CTA.

Revenue Bond – A municipal bond supported by the revenue from a specific project, Revenue bonds that finance income-producing projects are thus secured by a specified revenue source.

Revenue Equipment - Vehicles that carry fare-paying passengers and equipment used for the collection of fares.

Ride-hailing Fee - A $0.15 per-ride fee starting in 2018 with a $0.05 increase starting in 2019 on ride-hailing services such as Uber and Lyft to be collected by the City of Chicago as part of the Ground Transportation Tax (GTT) to fund CTA improvements.

Right-of-Way (ROW) - A strip of land that is granted, through an easement or other mechanism, for transportation purposes, such as for a trail, driveway, rail line, or highway reserved for the purposes of creation, maintenance or expansion of services within the right-of-way.

Rolling Stock - Public transit vehicles, including rail cars and buses.

RTA Sales Tax - The primary source of operating revenue for the RTA, the CTA, Metra, and Pace. The RTA retains 15 percent of the original one percent RTA sales tax authorized in 1983. Of that which remains, the CTA receives 100 percent of the taxes collected in the City of Chicago and 30 percent of those taxes collected in suburban Cook County. Of the funding available from the 0.25 percent sales tax and PTF authorized by the 2008 legislation, the CTA receives 48 percent of the remaining balance after allocations are made to fund various programs.

Run – A rail/bus operator's assigned work on a given day.

Safety Management System (SMS) - A comprehensive, collaborative approach that brings management and labor together to build on the transit industry's existing safety foundation to control risk better, detect and correct safety problems earlier, share and analyze safety data more effectively, and measure safety performance more carefully.

Scheduled Transit Operations (STO) - Classification includes bus operators, motormen, and conductors.

Service Boards - CTA, Metra commuter rail, and Pace suburban bus system, as referred to by the Regional Transportation Authority Act.

Sheriff's Work Alternative Program (SWAP) - A program where persons convicted of Driving Under the Influence and other low-level offenses are required to provide community services for municipalities throughout Cook County.

Slow Zone - Sections of track where trains must reduce speed to safely operate rail service.

State Assistance - The supplemental funding provided by the RTA Act in the form of additional state and financial assistance to the RTA in connection with its issuance of Strategic Capital Improvement Program (SCIP) bonds. It equals the debt service amounts paid to the bondholders of the SCI bonds plus any debt service savings from the issuance of refunding or advanced refunding SCIP bonds, less the amount of interest earned on the bonds' proceeds.

State Fiscal Year (SFY) - The State of Illinois' Fiscal year begins July 1 and ends June 30.

Statewide Planning & Research Funds (SPR) - An Illinois Department of Transportation competitive grant program funding projects related to studying or implementing a goal, strategy, or objective within the State's Long-Range Transportation Plan or modal plans.

Suburban Community Mobility Fund - Outlined by the RTA Act, grants and appropriations from the state, which the RTA distributes to the Suburban Bus Board for operating transit services, other than traditional fixed-route services, that enhance suburban mobility, including, but not limited to, demand-responsive transit services, ride sharing, van pooling, service coordination, centralized dispatching and call taking, reverse commuting, service restructuring, and bus rapid transit.

Supervisory Control and Data Acquisition (SCADA) - A control system that collects and operational data and is used to control and manage rail service.

System-Generated Revenue - Revenue generated by the CTA, including fare revenue, advertising, investment income, income from local governments by provision of the Regional Transportation Authority Act, and subsidies for reduced fare riders per 1989 legislation.

Tax Increment Financing (TIF) – TIF is a special funding tool used by the City of Chicago to promote public and private investment across the city.

Transit Asset Management System (TAM) - A system for procuring, operating, inspecting, maintaining, rehabilitating, and replacing assets for managing risks, and costs over their life cycles to provide safe, cost-effective, and reliable transportation. TAM uses asset condition to guide how to manage assets and prioritize funding to improve or maintain a state of good repair.

Transit-Oriented Development (TOD) - A type of economic development which includes a mixture of housing, office, retail, and/or other amenities integrated into a walkable neighborhood and located within a half-mile of public transportation.

Transit Security Grant Program (TSGP) – Administrated by FEMA to support transit infrastructure security activities.

Transportation Infrastructure Finance and Innovation Act (TIFIA) - Federal program provides credit assistance for qualified projects of regional and national significance. Many large-scale surface transportation projects - highway, transit, railroad, intermodal freight, and port access - are eligible for assistance. Eligible applicants include state and local governments, transit agencies, railroad companies, special authorities, special districts, and private entities. The TIFIA credit program is designed to fill market gaps and leverage substantial private co-investment by providing supplemental and subordinate capital.

Transit Investments for Greenhouse Gas and Energy Reduction (TIGGER) - The TIGGER Program has been continued in FY2011 through the Department of Defense and Full-Year Continuing Appropriations Act 2011 (Pub. L. 112-10). $49.9 million was appropriated for grants to public transit agencies for capital investments that will reduce the energy consumption or greenhouse gas emissions of their public transportation systems.

Transportation Improvement Plan (TIP) - A six-year financial program that describes the schedule for obligating federal funds to state and local projects. The TIP contains funding information for all modes of transportation, including highways and high-occupancy vehicles, as well as transit capital and operating costs.

Top Operator Rate - The top hourly rate paid to CTA bus and rail operators, based on employee seniority within the job, as specified by the union contract.

Traffic Signal Prioritization (TSP) - Operational strategy where communication between a transit bus and a traffic signal alters the timing of the traffic signal to give priority to the transit vehicle.

Useful Life Benchmark (ULB) - The measure agencies use to track the performance of revenue vehicles (rolling stock) and service vehicles (equipment) to set their performance measure targets. Assets beyond their ULB are at greater risk of failing and causing unplanned service disruptions.

Unified Work Program (UWP) - The Unified Work Program lists the planning projects the Chicago Area Transportation Study and other agencies undertake each year to enhance transportation in northeastern Illinois and to fulfill federal planning regulations.

Unlinked Passenger Trip - An unlinked passenger trip is a single boarding of any transit vehicle, even if the boarding is part of the same trip. Thus, unlinked passenger trips for any transit system are the number of passengers boarding public transportation vehicles.

Unrestricted Net Assets - The portion of net assets that is neither restricted nor invested in capital assets net of related debt. These funds are considered by CTA to represent the available fund balance.

Vehicle Revenue Hours - Hours that vehicles travel while in revenue service and include recovery time but exclude travel to and from storage facilities.

Vehicle Revenue Miles - Miles vehicles travel while in revenue service. Vehicle revenue miles exclude travel to and from storage facilities.

Ventra - Payment system for CTA, Metra and Pace that allows customers to pay for train and bus rides with the same methods used for everyday purchases and also allows them to manage their accounts online and choose from several different contactless payment methods.



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